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# THE NATIONAL REVIEW

EDITED BY

L. J. MAXSE

SEPTEMBER 1903

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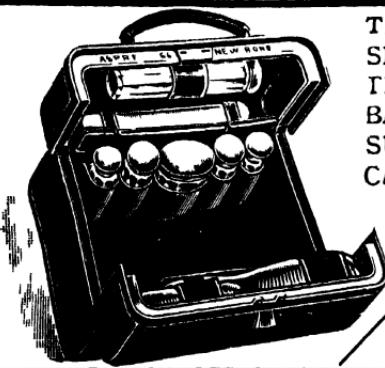
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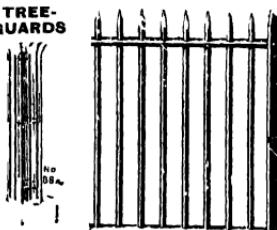
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# THE NATIONAL REVIEW

No. 247.—September 1903

## EPISODES OF THE MONTH

ALTHOUGH Lord Salisbury's health had been an anxiety to his family since Whitsuntide it was only in the beginning of August that the public became aware that he was seriously ill. The bulletins from the first held out little hope, and the end was foreseen before it came. Nevertheless, the news of the great statesman's death at Hatfield on August 22 was a severe shock to all classes of the community. During the wide span of his public life, which actually began before the Crimean War and therefore covered nearly two generations, Lord Salisbury and the British people had gradually learnt to know and appreciate one another. His old mistrust of the masses as shown by his resignation of his first Cabinet office in 1867 when Mr. Disraeli decided to "shoot Niagara" by enfranchising the urban householder became gradually replaced in later years by an unwavering belief in the solid sense of his countrymen. Although he never talked claptrap about the "great heart of the people" Lord Salisbury thoroughly trusted the people and loyally accepted the modern doctrine of government by public opinion. This confidence was reciprocated, and the old popular suspicion of the brilliant master of "flouts, and jibes, and jeers," who was supposed to be ready to sacrifice a cause to an epigram, yielded year by year to a growing confidence in a statesmanship of which safety became the keynote. Perhaps Lord Salisbury's greatest political triumph was his conquest of the Radicals by whom, at a period within the memory of men still young, he was regarded as a modern Macchiavelli. No epithet was considered too harsh to apply to him, and credulous Non-

conformists deemed him capable of almost any act in pursuance of a "Jingo" foreign policy. As the sounder estimate of his character spread this prejudice melted away, and towards the close of his career Lord Salisbury enjoyed the singular distinction of being no less respected by his lifelong opponents than by his own supporters. The reason the late Premier ultimately acquired the supreme confidence of his countrymen was simply because even the most stupid and bitter partisan could see that he was entirely above the political temptations of ordinary men, not so much on account of his position as owing to his character. He was animated by the single idea of service to the State. In private life Lord Salisbury was a man of really noble nature; his generosity and consideration for others being only surpassed by the fear of being found out and thanked. Indeed, he did good so stealthily that many recipients of his kindness never even knew the name of their benefactor.

We are too near the great events in which Lord Salisbury His Defensive played so conspicuous a part to be able to make Diplomacy. a sound appraisement of his work as a statesman.

To draw a distinction between temporary and permanent factors in current politics, especially in the shifting sands of international affairs, is at all times a task of exceeding difficulty, and it demands far greater knowledge than is possible to any contemporary outsider. It will be for the historian to pass the final judgment. At the same time we would hazard the prediction that Lord Salisbury will hold a high place among the great public men of the Victorian age for the manner in which he successfully held the fort during one of the most dangerous crises in our history. The more Englishmen realise the perilous conditions which prevailed during the months following the black week of December 1899, the more they appreciate the force of Captain Mahan's dictum that Providence views the British Empire with a benevolent eye. The accumulated Anglophobia which had been pent up for three-quarters of a century broke the flood-gates in almost every civilised country, when Great Britain was deemed to be in a precarious position. And it is beyond reasonable doubt that certain responsible and powerful Continental statesmen were scarcely less anxious than Dr. Leyds to exploit this situation to our detriment. The danger of hostile intervention in South Africa at a moment between Magersfontein and the capture of Cronje, which marked the turn of the tide, was nearer than is generally known. One of the material factors in saving the situation was the personal prestige

of Lord Salisbury in Europe, and his tactful management of our relations with the United States under circumstances which would have provoked a smaller man. His splendid defensive diplomacy during those critical days will remain a standing monument in his honour, and will secure his position among the great names of our history.

We do not propose to apologise to our readers for the unwonted bulk of this number of the *National Review*, as we believe it to be fully justified by **Our Special Supplement**. our Special Supplement on the "Economics of Empire," which we confidently commend to all who have not irrevocably made up their minds on the question of tariff reform. Nor do we hesitate to say that not even the most learned expert will read this illuminating contribution without profit. People are beginning to realise that the problem before the British Empire contains elements which are not dreamt of in the philosophy of the Fourteen Professors who have added to the gaiety of the gooseberry season by their Pontifical pronouncement upon "certain erroneous opinions."\* We fear that our Special Supplement teems with "erroneous opinions" (which are by the way part of the accepted creed of the civilised world outside this island) and our Assistant Editor may find himself on the index of the Orthodox. According to the Fourteen "it is not true that an increase of imports involves the diminished employment of workmen in the importing country. The statement is universally rejected by those who have thought about the subject, and is completely refuted by experience." This childish dogma was evolved in the palmy days of the Manchester School, when the Millennium was believed to have been inaugurated by a series of international side-shows. The ruthless Bismarck shattered what was cruelly christened "the glass-house movement," and it is only in England that its emasculate economics survive. In the imagination of the Fourteen Professors international commerce still consists of a beneficent co-operation in which nation vies with nation in enriching its neighbour. The "kindly fruits of the earth" are joyfully exchanged by one country against the finished article of another, each devoting itself on the theory of the division of labour to that which it is best fitted to produce. We trust that our Special Supplement may help to knock this nonsense on the head. International commerce, as the writer points out, is no less severely "competitive" than individual commerce, which,

\* See *Times*, August 15.

## THE NATIONAL REVIEW

Curiously enough, is recognised by the orthodox as a destructive struggle in which the weakest goes to the wall. If we wish to sink to the level of Holland all we have to do is to continue acting on the amiable illusions of our Professors; but if we aspire to become an Empire in fact as well as in name, and to maintain our "place in the sun" among the other world Powers, we must adapt our economics to modern conditions. Our policy must aim at making our Empire as self-sufficing as possible. We desire to make special acknowledgment to the writer of the masterly articles in the *Daily Telegraph* on "Imperial Reciprocity," as we have taken the liberty of borrowing three or four of his unchallenged tables for our Special Supplement.

While our so-called Imperial Parliament has been pottering round the parish pump and expending its energies **The Montreal** on regulating the speed of motor-cars, a Congress of **Congress.** the Chambers of Commerce of the Empire has been sitting in Montreal, which may not unfittingly be regarded as a truly Imperial Parliament. It has discussed Imperial questions of the highest importance in an imperial spirit, and forms a worthy prelude to the great political campaign opening before us. The Montreal Congress consisted of 500 delegates, representing 179 associations, namely, 76 British Chambers of Commerce, 61 British North American Chambers of Commerce, the remainder being contributed by the Chambers of India, China, South Africa, East Africa, Egypt, West Indies, and Australasia. It is at all times of the greatest advantage to the Home Chambers of Commerce and the Colonial Chambers to come in contact with one another, as, owing to the different fiscal systems prevailing in the Mother Country and the Colonies, they have acquired the habit of regarding the commercial relations of the Empire from different standpoints. It is peculiarly important that they should exchange views at the present time, so that there may be no misunderstanding as to the strength and depth of Colonial sentiment on the question raised by the Colonial Secretary. The longer one looks at the fiscal question the more one realises the force of Mr. Chamberlain's courageous contention that it is only through a preferential tariff that the British Empire can be permanently held together. That the education of our Chambers of Commerce is proceeding apace under the stern tuition of events, and the inspiring initiative of this great statesman, is shown by the fact that of the twelve resolutions placed on the Montreal agenda dealing with Imperial trade relations, only two were submitted by the Home Chambers, any number of

which have always been prepared in past years to harangue their Colonial brethren on the blessings of free imports. Of the two British resolutions submitted, one—that presented by the London Chamber of Commerce—advocated “inquiry” into the fiscal system. Only a single Chamber of Commerce out of a total of 179, namely, Manchester, which feels its local *amour propre* involved in the maintenance of the “Manchester School”—though the faith of Manchester men is being severely tested by their present experience of buying cotton “in the cheapest market”—proposed an orthodox resolution. We cannot help admiring the stolid conservatism of the Lancashire Radicals, many of whom would rather be damned under Free Trade than saved by Protection. Their chivalrous devotion to a lost cause is worthy of the Cavaliers.

The Chairman of the Montreal Congress, Lord Brassey, as a member of the British Liberal Party had already proclaimed himself an uncompromising opponent of Mr. Chamberlain’s policy, and he doubtless hoped to put a spoke in the Colonial Secretary’s wheel. He opened the discussion on the fiscal question in a thoroughly discouraging speech, and threw as much cold water as he dared on the preferential policy. It was “difficult” if not “impossible” to make a bargain between a manufacturing country which desired to expand its exports, and countries chiefly concerned to protect their industries from competition. Lord Brassey followed up this rather unworthy appeal to the prejudice of Canadian manufacturers by an ill-timed warning to the Dominion against taking any steps “which could be viewed with disfavour by friendly and powerful neighbours.” Colonials are not accustomed to this cosmopolitan claptrap about “hurting the susceptibilities of friendly foreign Powers” to which we in England have become inured by two generations of sodden sentimentalism. The Canadians have had bitter experience of their “friendly” neighbours. They are perfectly aware that the United States does not consider Canadian feelings or interests in framing her tariff; on the contrary, the McKinley Bill was publicly advocated by Mr. Carnegie and others on the express ground that it would “hurt” the British Empire. There is an almost universal feeling throughout Greater Britain, with which we are surprised Lord Brassey should not be acquainted, in favour of following the example of those robust nations who insist on being masters in their own house and framing their commercial policy in accordance with their own interests. Happily the Montreal Congress had the satisfaction of educating its President, for in his closing

speech, a few days later, Lord Brassey struck a very different note and stated the Imperial issue with unimpeachable fairness. We have to consider, he said, "whether it is possible by putting on some taxes and by taking away other taxes, to maintain the revenues of the old country, and, without adding to the cost of living, to do something for the further advance of the Canadian Dominion." This shows for the hundredth time the immense advantage which British public men derive from exchanging the "superior" atmosphere of London for the "provincial" atmosphere of the Colonies. Lord Minto, our very capable Governor-General of Canada, affords another illustration of this broadening influence. It is no disparagement to this excellent public servant to say that without his valuable experience at Ottawa he could never have acquired the grasp of the preferential policy which he showed in his notable speech at the Montreal banquet. Had he remained at home it is any odds that with his Whiggish traditions he would have joined one or other of the Cobden Clubs. He might even have descended to the level of the Free Food League. His appreciation of the wider aspects of the subject shows that he possesses statesmanship of a high order and confirms the popular view that no man should be considered fit for the Cabinet unless he has seen something of the British Empire. Lord Minto told his audience :

It is impossible to foretell the issue of the coming struggle, but in my firm belief we stand very near to the parting of the ways. An opportunity is before us which may never come again. What is to be our choice? A mighty Empire, a brilliant constellation of nations united in their common interests, and disseminating throughout the world the spirit of free institutions and liberal ideas, proud of a glorious history, and confident in its promises for the future ; or a gradual estrangement of that Empire's component parts and its ultimate disintegration. This is not the time to sit down and fold one's arms. It is the time for those who believe in the future of the Empire to speak out.

We cannot do justice to the full and fruitful discussions at Montreal on the fiscal question. The Congress A was clearly in favour of tariff reform, but in "Compromise" order to secure unanimity and bring Manchester Resolution. into line a so-called "compromise" resolution was ultimately adopted, which was described by one of the speakers as Toronto milk diluted with London water. Under the circumstances it may be regarded as satisfactory to those who have the Imperial cause at heart. This resolution ran as follows :

It is resolved that, in the opinion of this Congress, the bonds of the British Empire would be materially strengthened and the union of the various parts of his Majesty's dominion greatly consolidated by the adoption of a commercial policy based upon the principle of mutual benefit, whereby each component

part of the Empire would receive substantial advantage in trade as the result of national relationship, due consideration being given to the fiscal and industrial needs of the component parts of the Empire; that this Congress urges upon his Majesty's Government the appointment by them of a special commission, composed of representatives of Great Britain and her Colonies and India, to consider the possibilities of thus increasing and strengthening the trade relations between the different parts of the Empire and trading facilities within the Empire and with foreign countries.

This is surely an important pronouncement coming from such a body. It is both a frank recognition that our commercial policy has an Imperial aspect, and an expression of sympathy with the proposal to place the trade relations of the Empire on a more favoured footing than its external trade. This is the very essence of the preferential policy. At the final function, Sir Wilfrid Laurier, the Canadian Premier, made a speech which should finally dispose of the allegation which certain Free Trade organs have not scrupled to make, when gravelled for matter, that Mr. Chamberlain's proposals excite little or no interest among the people of the Colonies, while the preferential policy has been forced upon their representatives by our headstrong Colonial Secretary. Sir Wilfrid Laurier, though a statesman with Mugwump leanings, made this categorical declaration on behalf of Canada :

So far as Canada is concerned, I may say to our friends from the Motherland that we are intensely desirous of having a preferential market for our food products in Great Britain, but we think the first step would come better from Britain than from ourselves, and we do not want to force our views on our brothers. If such an arrangement would not be satisfactory to them, for my part I do not want to have such an arrangement. If we are to have preference it must be with the firm conviction that such an arrangement would be mutually proper. But if we are to expect the people of Great Britain to make concessions to us we must be prepared to make concessions to them.

It would be difficult to conceive a more complete or more satisfactory statement of the issue. The Canadian Premier appears, however, to have been misled by observations attributed to the Duke of Devonshire at a recent meeting of the British Empire League, which evidently reached Canada—probably through some American agency—in the distorted form of a suggestion that the British Colonies, as a condition of the preferential policy, were expected "to surrender some part of their legislative independence." No responsible British statesman has ever contemplated any restriction of Colonial autonomy, least of all Mr. Chamberlain, and it is one of the many merits of his policy that it leaves the self-governing Colonies in complete control of their tariffs, save in so far as they may be willing to enter into mutually beneficial bargains with the Mother Country in the nature of a commercial treaty.

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When the Duke of Devonshire's attention was recently called to the proceedings at Montreal he refused to make any statement as regards British policy, as he and his colleagues had agreed for the present to remain silent, "but," he informed his interlocutor (a representative of the *Yorkshire Post*), "we shall meet again before long." This is interpreted as implying that the Cabinet will meet in the early days of September to finally determine the fiscal policy of the Government, which remains at present in an inchoate condition. It appears to us that this decision cannot, as many people seem to imagine, be postponed until "something happens" in the autumn. The Prime Minister may be expected to make a definite pronouncement at Sheffield on October 1, and it is hardly credible that those of his colleagues who disapprove of the policy which will then be declared should remain in the Government until they read the report of his speech in the newspapers. They will be aware of the general lines of this momentous utterance some time in advance, and it would be more in accordance with constitutional usage that the dissentients should resign before the public pronouncement. There appears to be considerable curiosity in some quarters as to Mr. Balfour's ultimate attitude. Sanguine free fooders seem to imagine that he may yet throw over the Colonial Secretary. We have no curiosity on this question. No one who had the pleasure of hearing the Prime Minister's speech at the Constitutional Club can entertain a shadow of a doubt as to his being a convinced Tariff Reformer. The only doubtful points are as to the extent of the reform to be proposed and the names of the seceders. We devoutly trust that "the plan" will not be whittled down—with a view of reducing the number of seceders—to such a point as would kill the enthusiasm of those who are prepared to take off their coats and work for this cause as they have never worked before. In the first place the Preferential Policy must be kept in the forefront of the Government Programme. Existing food duties should be re-adjusted so as to enable the Mother Country to give a preference on wheat and meat in return for reductions in the Colonial tariffs. There must be no weakening on the food question—otherwise the victory would not be worth winning. Secondly, we must arm ourselves for the international fiscal fray with the weapon of Retaliation. In the third place it is imperative that we impose moderate duties on all imported manufactured articles which this country is as fitted to produce as any other, and which are dumped upon us not in virtue of any superiority, but simply owing to the impetus they derive from their protective tariff. We must at least secure

equality of opportunity for our own manufacturers and artisans in our home markets. That Mr. Chamberlain is fully alive to this aspect of the problem is clear from the encouraging letter he wrote to the Unionist candidate at Crewe at the end of August : "I feel sanguine that the policy which I have hitherto only sketched out will, as soon as it is thoroughly understood, commend itself to the working men of this country. All their interests depend upon full employment, at fair wages, and I am confident that this can only be permanently secured by some changes in our tariff system, which was instituted to meet a totally different state of things to that now prevailing."

This policy clearly involves a departure from our present system of Free Imports, and those Cabinet Ministers who **The Seceders.** regard the shibboleths of the 'forties with the eyes of the Fourteen Professors, will refuse to follow Mr. Balfour and Mr. Chamberlain. They may, therefore, be expected to resign, and the single question of interest is—their number and names. It is said that Mr. Ritchie, Lord Balfour of Burleigh, Lord Londonderry, and Lord George Hamilton, constitute the stalwarts, who may be expected to range themselves under the banner of the Free Food League. Mr. Brodrick was at one time claimed as a Free Fooder, but a recent speech shows him to have reached the sceptical stage which is the half-way house to salvation. It is no reflection on the eminent statesmen we have named, to say that the attitude of the Duke of Devonshire excites more interest than theirs. His retirement would produce a greater impression on public opinion than their retirement. He is confidently claimed by the Free Fooders, but it is wiser to count chickens after they are hatched. The Duke of Devonshire made a speech in the House of Lords some months ago, showing that he intended honestly and loyally to apply his mind to the fiscal problem, and so far as we are aware no man who has ever approached the question in this spirit has remained a Free Importer. Mr. Arnold Forster, who is one of the most capable members of the Government, affords a remarkable instance of the effect of genuine inquiry on a convinced Free Trader. He told his constituents at West Belfast, in the course of a striking speech on August 18 :—

He stood in this position. He had been brought up all his life in what was called the Free Trade doctrine. He had accepted it, always taught it, and been brought up in it, but when that matter was first raised he felt that the man who said inquiry was necessary was right, and that it was his duty to make inquiry. He had been working very hard at that question for many weeks past. He had made inquiry, and, whether his opinion required revision or

sturation as the result of his inquiry, he might tell them he was convinced there was need for a very great alteration in our present system.

We have absolutely no knowledge of the Duke of Devonshire's intentions, but we shall refuse to believe that he has joined Sir Michael Hicks Beach and Sir Henry Campbell Bannerman, until we read it in the newspapers. The man who broke up one Party to save the United Kingdom from disruption is not likely to break up another Party in order to prevent the consolidation of the British Empire. While we should all be sorry to lose the Duke of Devonshire, truth compels us to add that it will be most disappointing if there are no resignations, as one of the many merits of the opening of the fiscal question was that it seemed necessarily to involve some reconstruction of the Cabinet which stands sorely in need of fresh brains and new blood.

The work of the Royal Commission on Alien Immigration which was appointed in March of last year has been completed and its Report published. The reference to the Commission, which consisted of

**The Alien Immigration Report.** Lord James of Hereford (chairman), Lord Roths-

child, Mr. Alfred Lyttelton, K.C., M.P., Sir Kenelm Digby, Major Evans-Gordon, M.P., Mr. Norman, M.P., and Mr. William Vallance (clerk to the Whitechapel Guardians), was to inquire into (1) the character and extent of the evils which are attributed to the unrestricted immigration of aliens, especially in the metropolis; (2) the measures which have been adopted for the restriction and control of alien immigration in foreign countries and in British Colonies; and to advise what remedial or precautionary measures it is desirable to adopt in this country, having regard to the above matters and to the absence of any statutory power, to exclude or expel any individual alien or class of aliens from its borders. The Commission held 49 sittings and examined 175 witnesses, their zeal being shown by the fact that they held two evening sittings in Stepney in order to hear witnesses who were unable to attend elsewhere. They also sent their Secretary, Mr. Eddis, to Rotterdam, while Major Evans-Gordon, who has been the life and soul of the inquiry, made an extensive tour in Eastern Europe, where he collected many valuable facts. We have not, unfortunately, the requisite space to do justice to a report which is likely to play a prominent part during the controversies of the next few years, and which, in spite of the chronic supineness of British Governments, is bound eventually to become the basis of restrictive legislation. Suffice it to say that the Commissioners, *pace* Sir Kenelm Digby, a typical Mandarin, and Lord Rothschild, whose judgment is biased by his desire to

keep our doors open for Jewish refugees, have established a case for protective legislation in the interests of the British working classes. This country is steadily invaded, year by year by a large and increasing number of alien immigrants, many of an "undesirable" character. Not only does their presence in such numbers tend to lower the standard of English labour, but they are partly responsible for the congested condition in certain districts of London in which the native population find themselves displaced. In what may be called the operative part of the Report the Commissioners suggest the constitution of a "Department of Immigration" in order to cope with this growing evil and they propose an elaborate code of restrictions. We earnestly hope that Mr. Chamberlain will make the Alien Immigration question one of the most prominent planks in his platform. That England should year after year remain a dumping-ground for the human refuse of Europe is an intolerable scandal which excites stronger resentment among the masses in this country than many of our readers have any conception of.

Baron d'Estournelles de Constant, who recently chaperoned *An Appeal to* the French Senators and Deputies constituting *M. Delcassé*, the International Arbitration Group, to London, has addressed an interesting letter to M. Delcassé, the Minister for Foreign Affairs, reviewing the results of that visit. The writer points out that for the last twenty years Franco-English relations had been constantly disturbed by difficulties which neither Government could venture to settle from fear of Parliamentary opposition, but this apprehension had now been largely dispelled, for "the chiefs of the two States and the representatives of the two peoples have opened up a new prospect to their Governments." There was therefore nothing to prevent France "from putting an end to the odd régime of silent expectancy which did service as a policy." All the British statesmen, without distinction of Party, whom M. d'Estournelles had met in London, were unanimous in desiring a new policy embodying three essential objects:—(1) The conclusion of an Arbitration Convention of a reasonable and restricted character in accordance with Article 19 of the Hague Agreement, "which would put an end to the boycotting from which it (the Hague Tribunal) suffers." (2) M. d'Estournelles has received verbal and written assurances from British Ministers expressing the anxiety of England to come to terms with France and Russia "to restrict the crushing burden of the naval expenditure of the three Powers." (3) "a realistic settlement" of all outstanding Anglo-French disputes, "which

diplomacy for the last twenty years has exerted its efforts to evade, and which several times have been on the point of causing a war disastrous to both countries." M. d'Estourhelles ends with an earnest appeal to the French Foreign Minister to take advantage of the present favourable atmosphere in the two capitals : "Do not let people tell us that it is better to await the famous date of the English General Election. This is tantamount to eternal failure, and is invariably resorted to in order to arrive at the well-known results. With goodwill on both sides, three general agreements with England could be concluded in a few months."

We are most reluctant to quench smoking flax, but it is  
Some desirable to speak frankly, even on so delicate a  
Questions. subject as Anglo-French relations, in order to  
obviate misunderstanding and disappointment.

In the first place, we cannot help feeling that M. d'Estournelles may over-rate the magical virtues of that blessed word "arbitration." Any arbitral convention that could be successfully negotiated between France and Great Britain would necessarily be reduced to such exiguous proportions as to exercise inappreciable influence on our mutual relations. Human nature will not yet allow great national issues to be decided judicially. We join M. d'Estournelles in desiring to substantiate and vivify the work of the Hague Tribunal, and in closing the boycott of which it has been the object on the part of Sovereigns and statesmen who are anxious that other Powers should forget that Holland is an independent nation; but we have our doubts as to whether there is any widespread demand in France for M. d'Estournelles' convention. The French have no great passion for litigation and arbitration is a mere synonym for a law-suit. They may not care to become liable to summons before a foreign tribunal to settle questions which might be more conveniently dealt with diplomatically. In the next place, we cannot resist the conclusion that M. d'Estournelles may have gathered a somewhat exaggerated impression from his conversations in London upon the subject of disarmament; or, if he is accurate as to the views of British statesmen, he has certainly been misled as to the policy of Great Britain. In this country Governments propose, but public opinion disposes. If any British Minister signed a convention for naval disarmament in conjunction with France and Russia, he would be unable to obtain its Parliamentary ratification, for the sufficient reason that we regard Germany as our most probable adversary in a naval war. It would therefore be suicidal on our part to enter into any international con-

vention to limit naval armaments which did not apply to Germany, while it is tolerably certain that a country "whose destiny lies upon the water" would refuse her assent to any such agreement. For this reason, and not from any suspicion of France or Russia, it would be impossible for Great Britain to assent to any such arrangement as M. d'Estournelles believes British statesmen to approve. His third proposal, namely, a general settlement of outstanding Anglo-French difficulties, such as was discussed in the July *National Review* by M. Etienne, the brilliant leader of the French Colonial Party, has our entire sympathy, and we trust that the time may not be remote when M. Delcassé and Lord Lansdowne will be able to announce some tangible diplomatic results of the present Anglo-French *entente*.

It is of the utmost importance that public men on both sides *Toujours en Vedette.* of the Channel should continue their labours for the maintenance of those good relations between England and France which King Edward was so happily inspired in restoring. No recent international development has given greater satisfaction to the British people, while it has distinctly enhanced the prestige of the Crown as a political factor. That it should have provoked offensive observations upon the King in the German Press, even in papers like the *Münchener Neueste Nachrichten*, which is believed to be inspired by the Prussian representative at Munich, constitutes a significant tribute to the sagacity and patriotism of the Sovereign. It is a somewhat depressing reflection that we can only be quite sure that our foreign policy is on the right lines when it excites the disapproval of our German cousins. It gives us no gratification to express such an opinion, except that it happens to be the exact truth. For twenty years Germany has traded on our good nature, she has marketed all our advances in foreign capitals, and has gloated over our humiliations. She believed the British worm would never turn, but it turned at last. The powers that be in Berlin cannot tolerate the idea that we should become our own masters and pursue an independent policy. The Wilhelmstrasse feels that it has acquired a prescriptive right to direct Downing Street, and the latter was, until a recent date, only too glad to take its orders from the former. It is, therefore, not unnatural that German diplomacy should resent our emancipation, and the Press attacks on the King are probably intended to intimidate his Majesty's Ministers into "doing something for Germany" which would sacrifice the precious results of the last few months and enable that Power once again to parade England as a German satellite. If the watchdogs of the Press fulfil their

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glasses, they may yet find that the British Cabinet has become involved in some fresh Venezuela mess or Bagdad entanglement. We shall, however, know henceforward how to fix the responsibility for any such folly as the King has happily exploded, as "dynastic legend," namely, that our statesmen were reluctantly compelled to kowtow to Germany owing to the personal relations between the Sovereigns. His Majesty's advisers would be wholly and solely responsible for a revival of the Bagdad railway or for any kindred enterprise.

While Baron d'Estournelles and his friends are pleading the cause of international arbitration and dis-  
**The Far East.** armament, a political situation is being developed in the Far East which may severely tax the powers of peace during the coming months. We have no desire to exaggerate the action of Russia in consolidating her dominions in Eastern Asia by the creation of a new Governorship of the Amur and Kwantung districts under the magnificent title of "Viceroy of the Far East." At the same time it is hailed as a signal triumph for the military or forward party, and is greeted with wild jubilation in the Chauvinistic Press as the handiwork of General Kuropatkin, the Russian War Minister—who is supposed to be a fire-eater—and is a rebuff to M. de Witte and Count Lamsdorff, who are understood to prefer peace to war. The powers of the new Viceroyalty to which Vice-Admiral Alexeieff, Aide-de-camp General to the Tsar, and Commander-in-Chief of the Russian military and naval forces in Eastern Asia, has been appointed, are extraordinary. Not only will he command all the troops within his immense and indefinite territories, as well as the Russian fleet in the Pacific, but he is also to have control of diplomatic negotiations with "neighbouring States" on matters concerning his satrapy. Moreover, he is entrusted with the duty of maintaining order and ensuring safety in the "districts traversed by the Eastern Chinese Railway," i.e., Manchuria, and also to "watch over the interests and needs of the Russian inhabitants of the possessions bordering on the territories under his jurisdiction." As the *Times* points out, the Tsar's Ukase creates "a virtual dictatorship in favour of the Commander-in-Chief, who has played for the last three years a leading part in framing and directing Russia's policy of expansion in the Far East." Instead of the promised evacuation of Manchuria which was to begin last April, we have a semi-independent Viceroy appointed, armed with supreme authority over all branches of the civil administration, who, besides being Commander-in-Chief of the land and sea forces, has a large diplomatic discretion in dealing with the adjoining Powers.

Admiral Alexeieff is expected by his journalistic admirers to pursue a "spirited foreign policy" free from the hampering control of the humdrum bureaucrats of St. Petersburg, and the announcement of his appointment has been followed by a violent campaign against Japan in the Russian Press, in which ever-increasing prominence is given to the subject of Korea, Manchuria being relegated to the background and treated as a territory of no further interest to the forward party for the simple reason that it has been effectively incorporated in the dominions of the Tsar. We have never been able to share American excitement over Manchuria, or to take the much-boomed American diplomatic triumphs of the "open door" very seriously, but the Korean question is grave. In the words of the Pekin correspondent of the *Times*, which are accepted in Russian political circles as expressing the truth, "Korea is inevitably destined to be the field where the great problem of Russian or Japanese supremacy in the Far East will be solved." Japan has shown remarkable self-restraint and moderation on the Manchurian question, and has submitted to see territory which was the legitimate fruit of her victory over China wrested from her by Russia and subsequently appropriated by the despoiler. But no Japanese Government could remain in power a single day which suffered any serious Russian encroachment on Korea, as the integrity of the granary of Japan is vital to the latter's existence. The immediate danger in the Far East arises from the fact that Russia is beginning, through timber concessions and otherwise, to obtain a footing in Korea. That the St. Petersburg Government is conscious that its agents are playing with fire is shown by the amazing accumulation of military and naval stores in the Far East, as also by the despatch from European waters of every available Russian ship. It is needless to say that Germany is resorting to every device in order to bring about a war between Russia and Japan, into which the wily statesmen of Berlin foresee that both France and England might be drawn by their obligations to their respective allies. It is so obvious to every dispassionate onlooker that Germany alone stands to gain through such a cataclysm, that we cannot help hoping it may be averted, but we cannot avert it by merely looking the other way.

In the beginning of August the general rising in Macedonia, which has been threatened throughout the year, was officially proclaimed by the Macedonian Revolutionary Committee, who attempted to justify their action in a circular addressed to the various governments

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the Great Powers at Sofia for communication to their respective Governments. According to this document the Christians in Macedonia and the vilayet of Adrianople had been compelled to take up arms *en masse* by "acts of violence committed by the Mussulmans and the systematic persecutions of the Administration." It is explained with cynical candour that "they resort to this extreme measure after having exhausted all pacific means in order to bring about the intervention of Europe according to the provisions of the treaties regulating the condition of these populations. At the present moment such intervention is the only means of remedying the evil, and putting an end to bloodshed." The Committee formulate two definite demands: (1) the appointment of an independent Christian Governor-General, and (2) the constitution of an International Board of Control vested with full penal powers. The announcement of the rising was followed by numerous reports of fighting in different parts of Macedonia, the victory being claimed for the insurgents or the Turks according as the news came from Sofia or Constantinople, but that there has been serious fighting in many places scarcely admits of doubt. One of the problems of immediate interest is whether the Bulgarian Government will be able, if it wishes, to keep out of the fray. The two Powers who have taken in hand the "settlement" of the Macedonian question, *i.e.*, Russia and Austria-Hungary, are credited with a desire to allow Turkey a free hand in crushing the insurrection, while it is alleged in Sofia that were Bulgaria incidentally humbled in the process, there would be no little satisfaction in St. Petersburg and Vienna. It is certainly suggestive that throughout the entire crisis the inspired organs of Berlin, which are usually anxious to express the opinions which they believe to prevail in Russian official circles, have been studiously hostile to Bulgaria, and refuse to make any allowances for the undoubtedly difficulties which beset the Government of a people whose co-religionists are being "suppressed" by Turks in an adjoining province.

The situation was rendered still more critical by the murder of the Russian Consul (M. Rostkowsky) at Monastir, who was shot down by a Turkish soldier whom he had reproved for failing to salute. The Sublime Porte at once realised the gravity of the incident, and proved that it could assert itself in vindicating law and order when it chose. The assassin was promptly arrested and every form of abject apology which the Oriental mind could devise was tendered to Russia, the Sultan

going so far as to send his son, Prince Ahmed, to express his personal regrets at the Russian Embassy in Constantinople. A heavy indemnity was also offered from the depleted Turkish coffers to M. Rostkowsky's family. The murderer was tried by court-martial under the presidency of Edhem Pasha, the Russian Acting Consul at Monastir, being allowed, in his own words, "to exercise the rights and privileges of Public Prosecutor." This extraordinary trial ended not only in a sentence of death on the murderer, but also in a similar sentence on another gendarme for not preventing the crime, whilst, as further acts of appeasement, a third gendarme was sentenced to fifteen years' imprisonment; a Turk who happened to be passing at the time received five years' imprisonment for alleged perjury; while two officers were degraded for having spoken offensively of the murdered Consul. It might have been supposed that these numerous punishments would have sufficed to satisfy Russia's honour and to restore her prestige, but the murder of M. Rostkowsky coming as it did so soon after the murder of another Russian Consul, M. Stcherbina, so greatly incensed Russian public opinion, that the Tsar deemed it necessary to deliver an ultimatum to Turkey containing a series of strong demands, e.g., the dismissal of twenty-four Turkish officials, and the appointment of foreign officers to the Turkish gendarmerie. In order to counteract the possible misconstruction which might be placed upon this vigorous attitude towards the Porte by the Bulgarian Government or the Macedonian insurgents, Count Lamsdorff admonished the authorities at Sofia on the danger of fostering criminal revolutionary agitation which called for vigorous counter action on the part of the Bulgarian Government. While making allowances for the difficult position in which the Russians had been placed by the murder of their Consuls, the action of Russia appears to have been interpreted by the Balkan insurgents as an encouragement, all the more as a dramatic demonstration was made by the despatch of a Russian squadron to Turkish waters to enforce the ultimatum. The anxious politicians of the Dual Monarchy were profoundly relieved on learning that the Sultan had agreed to all Russia's demands, and that the squadron would be withdrawn to Sebastopol on August 23. During the fortnight occupied by these events, the Macedonian rising had steadily spread until it has attained formidable dimensions. To meet it Turkey has mobilised a vast undisciplined, ill-paid army, which is to be let loose on the Christian population. It is impossible even for the robust optimists of Vienna to take a sanguine view of the outlook in the Balkans.

**Cardinal Sarto**, the Venerable Patriarch of Venice, who is close upon three-score years and ten, has been elected **Pope X.** Pope in succession to Leo XIII., under extraordinary circumstances. Though a conspicuous and respected member of the College of Cardinals his name rarely appeared in lists of "favourites" for the "Tiara" with which a profane press teemed on the eve of the Conclave. Among the popular candidates were Cardinals Rampolla, Gotti, Vannutelli, Oreglia, Agliardi, and Svampa, every one of whom was said to have some prospect of election. At the head of almost every list was to be found the name of Cardinal Rampolla, the sinister Secretary of State to Leo XIII., who is held largely responsible for the obscurantist developments in Papal policy during the closing years of the late Pontificate. Cardinal Rampolla had utilised his powerful position to secure the succession for himself, and had managed to pack the Sacred College with Cardinals upon whom he could count. The plot was within an ace of success. According to the most credible accounts of the "secret" proceedings of the Conclave, which was sealed up in the Vatican on July 31, the Secretary of State took the lead in the ballots from the outset. At the first scrutiny on Saturday morning August 1, Cardinal Rampolla obtained 24 votes and Cardinal Gotti (a reputed candidate of the Triple Alliance) 17 votes, Cardinal Sarto being third with only 5 votes. At the evening scrutiny the figures were, Rampolla 29 votes, Gotti 16, and Sarto 10. On Sunday morning (August 2) the numbers were, Rampolla 29, Sarto 21, Gotti 9; Sunday evening Rampolla 30, Sarto 24, Gotti 3. This was the critical day, and the turning-point. The best account of the dramatic incident which decided the election appeared ten days later in the *Neue Freie Presse* of Vienna, which made the sensational announcement: "It is no longer a secret that it was Austria, who at the last hour, opposed the election of the former papal Secretary of State." Originally, Austria had no intention of exercising the papal Veto which she claims in common with France, Spain, and Portugal, but when the Austro-Hungarian Cardinals reached Rome some days before the Conclave, they became convinced of the probability of Cardinal ~~Rampolla~~ Sarto's success. They regarded this as a danger to the highest interests of their country, as during his sixteen years tenure of the office of Secretary of State he had manifested unbroken hostility towards the Dual Monarchy, and was believed to be largely responsible for the difficulties which prevented the Emperor Francis Joseph's visit to Rome. According to the *Neue Freie Presse*—

On Sunday, August 2, Cardinal Rampolla had got together so many votes that only a slight effort on the part of his friends seemed necessary to ensure his elevation to the Papacy. Then Cardinal Gruscha, Archbishop of Vienna, as Senior Austro-Hungarian Cardinal, rose and protested in the name of Austria against an election which Austria would not be able to welcome. Cardinal Gruscha thus executed what had been decided upon in the presence of Count Szecsen (the Austro-Hungary Minister to the Holy See). Cardinal Pyrzna, as the more eloquent speaker, may have seconded the Archbishop of Vienna, who only read a few words from a paper. The veto is rather a custom than a right. For this very reason the Austrian Cardinals made use of it with considerable modesty without boasting of a literal right, but their action was nevertheless impressive and successful. Austria only decided at the twelfth hour what steps to take in the Conclave in order to safeguard good relationships between our Monarchy and the Holy See.

After this impressive protest from one of the most powerful and wealthy of the Catholic communities The Papal Cardinal Rampolla began to lose ground in Veto. successive ballots, while Cardinal Sarto rapidly came to the front. On Monday morning (August 3) the figures were Sarto 27, Rampolla 24. On Monday evening Sarto 35, Rampolla 16. On the following day Sarto was elected Pope with 50 votes, Cardinal Rampolla only obtaining 10 at the final ballot. The former was immediately proclaimed under the title of Pius X. The violent controversy as to Austria's reputed exercise of the Papal Veto, which started with the close of the Conclave, was finally closed by a note in the *Fremdenblatt*, the semi-official organ of the Austrian Foreign Office, which, while ridiculing certain "fantastic inventions" substantially confirmed the statement of the *Neue Freie Presse*:

It is, nevertheless, a fact, as we are able to assert after inquiry in authoritative quarters, that the Austro-Hungarian Monarchy made use of its right of veto. The object of our Cabinet was to ensure the election of a pacific, conciliatory Cardinal, and it has reason to be satisfied that out of the 350 came a name which was everywhere greeted with applause. In the person of Pius X. a man has ascended the Papal Throne whose temperate and firm character justifies the hope that friction will be avoided and that political points of view will not thrust themselves into the foreground or hamper the fulfilment of the exalted mission of the Church. It lay in our interest to prevent an election which, as shown by repeated experience during recent years, might have given rise to differences such as ought not to disturb a relationship like that between State and Church. One of the French Cardinals, Monsignor Mathieu, while attributing the election of Pius X. to the intervention of Austria-Hungary, adds: "This step betrays the influence of William II, who thus knew how to please Italy, and pour balm upon her wounded *amour propre* caused by his recent visit to the Vatican, accompanied by German curiassiers. The Veto constitutes an unwarrantable interference in the

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affairs of "the Church." The statement that the Kaiser prompted the Veto upon Cardinal Rampolla is challenged in competent quarters. The present *Times* Paris correspondent, e.g., who knows Austrian affairs as well as any man living, declares, "I do not believe for one moment that the Austrian veto was inspired by the Emperor William, because I know from long observation on the spot, that the relations between the Emperor Francis Joseph and the Emperor William are not such that the latter would venture to hint to the Emperor-King what he should do on an occasion of such grave importance." Germany may be gratified at the action of her ally, and the German Kaiser may be grateful to those who suggest that he was the *deus ex machina* in the election of Pius X., but we may rest assured that the Emperor Francis Joseph and Count Goluchowski acted in this matter with a single eye to the interests of the Austro-Hungarian Monarchy. By their courageous and statesmanlike action in preventing the Papacy from falling into the hands of a political intriguer, they have incidentally placed the civilised world under a debt of gratitude. Let us hope that Cardinal Sarto has at any rate one-tenth of the virtues with which he has been credited since his singular election. We are invited to believe that a new heaven and a new earth will be disclosed to afflicted humanity by Pius X. Exactly the same thing was said after the election of Cardinal Pecchi, in 1878, and we learnt during the Pontificate of Leo XIII. to rate such speculations at their proper value. One of his Holiness' first acts has a special interest for this country, viz., the selection of a successor to the late Cardinal Vaughan. Among the names presented for the Arch-bishopric of Westminster by the Canons of Westminster were Dr. Gasquet, the learned head of the English Benedictines, Monsignor Merry del Val—supposed to be favoured by "the black" British Catholics—and the venerable Bishop Hedley, of Newport. The Propaganda, consisting of eleven Italian Cardinals, have, however, passed over these three candidates in favour of the Bishop of Southwark—the Right Rev. Francis Bourne—apparently on the ground that he is "free" from the taint of "Liberal tendencies." Should this appointment be confirmed it will be impossible for British Catholics to cling to the legend of a "liberal" Pope.

The Parliamentary Session which had opened on February 17, came to an end on August 14. The closing Close of the Session. Speech from the Throne, which was read by the Lord Chancellor, consisted of a brief review of the principal events of the previous six months, omitting,

however, all reference both to the great controversy which has completely overshadowed the political situation since the spring, and the critical development in the Far East, which might not inconceivably eclipse all other issues during the autumn. The Speech naturally opened with a genial allusion to the King's visits to Portugal, Italy, and France. "Nothing could have exceeded the cordiality of the reception which I experienced throughout my journey," while the return visit of M. Loubet was thus gracefully referred to: "More recently the President of the French Republic has been my guest. His visit has given rise to a striking exhibition of the feelings of mutual goodwill which prevail between the two countries." Then followed a cautious paragraph on the crisis in the Balkans, where his Majesty's Ministers "acting in concert with those of Austria-Hungary and Russia, and the other Signatories of the Treaty of Berlin, have used their best efforts to restrict the area of disturbance, and to impress upon those concerned the necessity of self-restraint and moderation." The despairing hope was expressed that the scheme of reforms pressed on the Porte by the Powers "most nearly concerned, and strongly supported by my Government, may effect some improvement in the condition of all classes of the population of Macedonia." Apart from passing references to the Mackay Treaty of Commerce with China, and the Commercial Convention between Persia and Great Britain, which was somewhat optimistically expected to "place the commercial relations of the two countries on a more secure and satisfactory basis in the future"—there was no further allusion to foreign affairs. The chronic Anglo-German paragraph recording one or other "mess" was happily absent, but we trust that the silence as regards the relations between Russia and Japan may not be interpreted as a want of interest in Far Eastern affairs. The rest of the Royal Speech was divided between imperial and purely domestic concerns. The work of resettling and pacifying the Transvaal and Orange River Colony had made great progress, and the recently constituted Legislative Councils containing unofficial elements, had held their first Sessions, which had proved most fruitful. Still more important was the fact that the Customs Convention, "which includes preferential treatment for imports from the Mother Country," had been ratified "by the Legislatures of all the Colonies of British South Africa, the union of which, for fiscal purposes, is an important and necessary step in the direction of their ultimate political federation." Satisfaction was expressed at the improved condition of the Indian Empire, and at the promising prospects of rainfall.

after which came an ambiguous allusion to the campaign in Somaliland, which had "not yet been concluded," but "the flight of the enemy's forces from his original position in a north-easterly direction, will enable a further movement to be undertaken against him under more favourable conditions." It will be remembered that the war against the "Mad" Mullah was commenced by the Foreign Office, and continued by the War Office, of which it is becoming a permanent vested interest.

In the concluding, and perhaps more personal part of the **The Speech** from the Throne, the Sovereign referred to his tours in Scotland and Ireland, where he had been "greatly touched by the warm expressions of goodwill with which I was everywhere received." His visits to Dublin, to Belfast, "the chief centre of industrial enterprise," to Londonderry, and through Connemara to Galway, and to Cork had enabled King Edward to realise the many efforts being made "to improve the housing accommodation of the working population, to stimulate their commercial activity, to advance the methods of agriculture, to develop technical education, and to provide for the sick and infirm." While much admittedly remained to be done, he had noticed with the "deepest gratification . . . signs of increasing concord between all classes in Ireland presaging, as I hope, a new era of united efforts for the general welfare." The Speech concluded with the customary recital of the principal legislative achievements of Parliament, the following being the more important measures placed on the Statute Book: (1) The Irish Land Purchase Bill, converting "agricultural tenancies" into "occupation ownerships" which by "removing ancient causes of social dissension" would conduce to "the common benefit" of all classes in Ireland; (2) the London Education Act, framed on similar lines to the English Education Act of last year; (3) the Port of London Bill passed through several stages on its way to becoming law "at an early period of next Session"; (4) the Sugar Bounties Convention Act, carrying out the Brussels Convention abolishing sugar bounties; (5) the Scotch Liquor Act; (6) the Motor Car Act; (7) the Employment of Children Act. The final fortnight of the Session was devoted to the completion of this substantial legislative programme, time being fairly evenly divided between the Irish Land Bill, the Motor Car Bill, upon which Ministers showed an excess of elasticity, and the Sugar Bounties Convention, varied by the frantic efforts of the "Free-

Fooders" to bring on a debate in the House of Commons on the unformulated fiscal proposals of the Government. These attempts were deftly defeated by Mr. Balfour, who has steadily and wisely refused to allow the time of Parliament to be squandered on debates which must have been abortive.

The second reading of the Irish Land Bill, which had been practically unchallenged in the House of Commons, was moved in the House of Lords by the Duke of Devonshire on August 3 in a speech of the *chose jugée* type. Ministers had evidently been alarmed by the wicked suggestion that the measure should be actually amended in the House of Lords, and the Duke of Devonshire deemed it his duty to solemnly warn the Peers that the question was practically beyond their control. Their constitutional right of revision had, it appeared, been bated away. This Bill had met with "an unusual amount of acceptance in the other House," and had been approved by those who must be regarded as representing "if not the universal Irish opinion, at least the opinion of the vast majority of the occupiers of the land." It had likewise been accepted by the representatives of the Irish landlords in the House of Commons, while "more important than all, it has been accepted by the great majority of the representatives of England and Scotland by the assistance of whose credit and whose cash this measure alone can be carried into effect." On these fallacious grounds the Duke of Devonshire laid down the portentous doctrine that the Irish Land Bill was practically beyond the purview of the Upper House, for though it could be accepted or rejected, it could not be amended. "Your Lordships must remember that the Bill is, as I have said, in the nature of a treaty or instrument of peace. It has been arrived at by negotiations; its main principles are indissolubly connected, and while your Lordships will have a perfect right to reject it if you think it unwise or unstatesmanlike, any serious alterations of its main provisions would release the contracting parties to this treaty from the obligations which they have mutually undertaken." It is perhaps scarcely surprising, though it is deeply disappointing, that after such an introduction there was utterly inadequate debate of the chief ministerial measure of the Session. The Irish landlords confined themselves to a few inarticulate grumbles, and the interests of the British taxpayer received as little consideration in the Upper House as in the Lower House. Where, we may ask, were Lord Goschen, Lord James of Hereford, Lord Cross, and other great

wise and eminent Mandarins, who profess to be appalled by the risks of Mr. Chamberlain's policy. They remained strangely silent during the discussion of a Bill which, if successful, will involve a minimum call upon British credit of one hundred and fifty millions, and which might not improbably enable our enemies to engineer a panic during some national crisis. In spite of the failure of Lord Goschen and others, there was a strong undertone of dissatisfaction towards a policy for which it would be quite impossible to obtain the endorsement of any representative public meeting in this country, and which has only been smuggled through Parliament by the collusion of the two Front Benches.

One of the few interesting features of the debate was the King Charles' frequent allusion to the possible influence of Mr. Chamberlain's preferential policy on the economic Head. condition of Ireland. A bitter partisan like Lord Crewe apparently imagined he was crushing the Colonial Secretary by declaring that Mr. Wyndham's settlement had been "endangered" by "the sudden action of his distinguished colleague," for if the preference was "to be in any way effective, it must have effect on the price of produce in this country. No doubt a very moderate preference on meat would distinctly be of benefit to the Irish farmer . . . Would noble lords be so very ready, while the amount of that preference remained uncertain, to enter into negotiations for the sale of their land?" It is interesting to contrast Lord Crewe's admission that "a very moderate preference" would benefit the Irish producer with the doleful picture which Lord Rosebery recently presented to an audience of Essex farmers, who were to be ruined by the preferential policy. Lord Crewe added that "landlords who had proceeded to sell forthwith might find they had made an exceedingly bad bargain . . . if some years hence the price of meat was artificially raised by some proposal such as that favoured by the Colonial Secretary." Lord Donoughmore, while supporting the Bill, declared that free trade had been disastrous to Ireland, and predicted that in the event of a "fight between free trade and protection, the Irish farmers would form a solid mass in favour of protection." But how, we would ask, can they get their views expressed in Parliament so long as they are represented by politicians in American pay, and who, presumably, for that reason dare not support a policy which even the *Freeman's Journal* can see must be to the advantage of Ireland? The Front Bench speeches, whether Unionist or Radical, were of the usual type. Lord Spencer improved the occasion by a homily on the wisdom of

Gladstonianism, to which the Unionist leaders were evidently becoming converted by the eloquence of events, while Lord Lansdowne dilated on the "happy settlement." The Back Benches refused to respond. Lord Arran pertinently observed that if the Act operated as intended by its author it would be "the greatest step towards Home Rule that had ever been, because, if the people when they were in possession of the land demanded Home Rule, he did not see how they could logically deny them Home Rule." Upon this the *Times* observes in a leading article, "That is a matter upon which opinions may reasonably differ, and it is at all events certain that Home Rule with the land question settled would be a very different thing from Home Rule employed as an instrument of agrarian warfare." We confess to being unable to follow this argument. Home Rule means the creation of a hostile Power at our very doors, which would be a continual source of anti-British intrigue in peace time, and a perpetual danger in war. Whether the land question be "settled" by the multiplication of landlords under the name of peasant proprietors or not, the insuperable objections to Home Rule surely remain?

Lord Meath also broke into independence, declaring that "never since British politicians embarked on a policy of confiscation and spoliation, which had placed the landlords of Ireland in their present and most cruel and embarrassing position, had the landlords been called upon to make up their minds upon an issue so momentous to their interests." He was unable to share the ecstasies of enthusiasm over "a final measure," which was to "bring to an end this most disastrous land war, and to transform Ireland into a promised land, flowing with milk and honey, where all would be peace, perfect peace, and even Dillons would cease from troubling, and O'Briens be at rest." But by far the most striking contribution to the debate came from Lord Hampden, at one time a prominent member of the Liberal Unionist Party, and later a distinguished Governor of New South Wales. He declared he would not grudge an even larger contribution from the British taxpayers than that provided by the Bill, as the price of peace in Ireland, but there would not be peace, there would be no respite from the land agitation, as some landlords would refuse to sell, and so would provoke a fiercer agitation than ever there had been. Lord Hampden courageously refused to echo the feeble platitudes which have done duty for arguments throughout the discussion of this Bill.

Independence in Peer or Commoner is so rare that we cannot refrain from textually reproducing his protest.

It would seem that everybody approved the Bill, and in the other House there was a consensus of opinion in its favour, and yet he ventured to urge objections to it on grounds of sound economy, of justice, and even of morality. He protested against the Bill as thoroughly vicious and corrupt, and likely to lead to a land agitation more embittered than any that had preceded it. Landlords were entitled to fair compensation for the transfer of property under past legislation, and his Majesty's Government, instead of facing the claim, had met it by a bonus of 12 millions. If it were considered necessary to abolish dual ownership, the simpler course, involving no risk to the State, would have been to have had recourse to perpetual annuities. The Government scheme, he contended, involved an appreciable risk to the British taxpayer. He yielded to no one in his admiration of the ability of the Irish Secretary, but no amount of skill could remove the taint of corruption from the Bill, nor prevent it resulting in a land war, or in a fiercer agitation than any which had yet taken place. The scheme was optional in name, but it made compulsion absolutely necessary. It was not compulsory on the landlords to sell, but some of them would sell, and then we should have the experience of the Dillon and De Freyne estates repeated. We should have two sets of people, one of which compared unfavourably with the other, and the result would be another land war. The Irish tenant had nothing but the land. He would mortgage the land, and we should have the old vicious circle. We should get rid of the owner, but we could not get rid of ownership.

We hope Lord Hampden's fears may be exaggerated, but it is somewhat ominous to observe the steps already being taken by nationalist guerillas, in order to squeeze the landlords under this new "settlement."

## ARE WE CONSUMING OUR CAPITAL?

QUESTIONS as to the well-being of the country are being largely debated at the present time. Are we prospering or are we going back. Is our wealth increasing, or is it fading away? The immense scale to which these inquiries extend deters many from attempting to follow them out. They feel it difficult, if not impossible, to grasp the meaning of the facts put before them. I will attempt to deal with one of these questions only. It is really of the highest importance. On the answer the stability or weakness of our national position depends. The question is this: Are we as a country living on our capital—are we slowly exhausting the basis of our strength? What does the preponderance of the imports into the country over the exports which we send out to other countries mean? Can we continue to keep this up?

Many persons as they approach this subject feel entirely bewildered through the difficulty of comprehending the immense figures which are placed before them. They are aware in a general way that very much of the food on our tables at any meal, the whole of the tea and the coffee and cocoa which we drink at breakfast time, a very great deal of what we drink at other times, a very large part of the clothes we wear, and an enormous mass of other materials are annually imported into this country. If it were not for imported timber the building trade would practically be paralysed. If it were not for imported iron ore, and sometimes for imported iron goods in a manufactured state, many other occupations would come to a standstill. All this we are used to, and when we are told that it is only the Sunday, perhaps also the Saturday, loaf which is grown on British soil, all the bread for the rest of the week being brought in from the "Britains over the sea" and other countries, the statement excites neither alarm nor wonder.

The continued supply of food to the country is a question fully as serious as the possibility that our imports may exceed our exports. If the country is over-spending its means, methods of

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and will be found. Economy, however, is always a most unpleasant and unpopular virtue, and an increase in our productive powers must be found as well. After all a country is only a collection of families and individuals. If a private person does spend more than he should, he is very shortly pulled up sharp by the stern fact that he is unable to find further credit—and it will be the same with a country.

The supply of food is a very intricate thing. It depends on the crops and the numbers of the cattle in several, practically in many different regions widely scattered apart in very different climates. Advertisements remind us of the cows in Holland and Denmark. We have only to think of the millions of eggs, of casks of apples and cargoes of foreign fruit continually being brought in, and can scarcely realise what the whole means. Beyond all this there is the chance of stoppage of supply by war, a remote chance we all trust, but a possibility. We might be close to a famine and yet know it not. A few days since the reports of our home markets announced that the supply of English-grown wheat was practically exhausted. Six weeks or two months must pass before home-grown grain could be fit for use. But no one troubled. They relied on the certainty of obtaining what was needed, simply because for generations it has not been known to fail. People are aware that a Royal Commission is investigating the matter, and with that they are satisfied. We are so accustomed to the idea of purchasing our food from abroad that no anxiety is felt as to the means of paying for it. People think in a vague way that British products are better than any other products, and that we pay for what we buy by what we sell. But when we learn that we import goods to a much larger value than we send out of the country we do wonder, for we feel as if the ground were cut away from under our feet. The question comes up: How long can this state of affairs continue? The actual figures are enormous. They are quoted in order to show what is going on.

For 1900 the net imports were . . . . £459,893,000

The exports of British and Irish goods were . . . 291,192,000

Thus the excess of imports over exports was . . . 168,701,000

The excess of imports over the exports was larger for the year 1900 than it had been any year before. This excess has gone on increasing progressively. Thirty years ago the figures were but a fourth of what they are now. The bewildered reader asks where will it end. If he remembers the amount of the revenue provided for in the Budget this year it seems to him that the country is being taxed twice over at least. It seems as if we have

two sets of taxes to pay—one to the Chancellor of the Exchequer and one, distinctly larger, to the foreigner.

Now to many people figures which extend to millions are quite unintelligible. I will try to explain the puzzle, and for the moment will leave the millions out and describe the country under the image of a man who, while he earns an income of £290 a year, finds that he is spending at the rate of £460 a year. For purposes of argument it will be assumed, in this instance, that the value of our exports represents what the country earns and what the individual earns. He is honestly anxious not to be a spendthrift; he thinks over his position. He cannot suddenly reduce his expenses, and he would greatly regret to have to do so. He does not see how he can increase his earnings at once. He has inherited some small property, invested in shares of a shipping company. His wife's father also left her something. This is placed in a telegraph company. When he was younger he put by regularly for years. All his savings are in a South African mine. This is now paying very large dividends. Altogether his income is enough to meet his expenses, but he cannot put by anything now, and he has occasionally qualms lest the dividends in the companies in which his investments are placed should not be kept up. The directors are most respectable people—good men of business. He reads the speeches at the annual meetings of these companies. Such speeches are more likely to be optimistic than the reverse. Everything seems going on well, but he remembers that some time since the dividends from the shipping company had to be reduced because freights were low; that since he became a shareholder in the telegraph company a cable failed, and there was great perplexity for a time at the Board; and he knows that the ore in the mine must be exhausted before many years are over, though the output is very satisfactory for the present. If he could manage to put by something or to improve his income somewhat all will be well. Can he possibly do so? This rough illustration has been employed as it may assist the reader to whom statistics are not in a general way familiar to a better comprehension of the subject.

First of all it is well to point out that the position of England in this respect is not by any means absolutely peculiar. If we take the great countries of the world collectively, the records of their transactions show that apparently there is an enormous excess of imports over exports. The difference between the position of the United Kingdom and that of any other country lies in the fact that in our case the disproportion between the amounts of the imports and exports is far larger than in any other case.

With countries so differently circumstanced as Germany, France, Switzerland, Belgium, Italy, Spain, Canada, and the Cape Colony, the position corresponds to a great extent with our own. In the United States, Austria, Russia, Brazil, Argentina, and British India, the figures are the other way. But taking the countries of the world together, they appear to import more than they export. That means they appear to place themselves under a liability to pay more than they receive. The United Kingdom therefore does not stand alone in this respect. This country, however, is the one where the difference is most marked. We appear to be rapidly losing the position of being a creditor country, and passing into that of being a debtor country. We need not attempt to investigate how other countries may fare. The question we have to answer is what will the result be to us? How can we meet the difference between the two sides of the account? Are we paying for our imports—for the very food we eat—by parting with the earnings of previous generations? Are we, in some way hidden from sight by the immense intricacy of the subject, living on our capital?

Now when we find that our business has been carried on in a somewhat similar manner for a very considerable time, and that a good many other leading countries of the world are somewhat in the same predicament as ourselves, we shall feel that some explanation of part at all events of the problem may very possibly be made, and are led to understand that exports are, as a rule, estimated below their real value—the real value being the price at which they would be sold when they reach the port of delivery. The great difference between us and the other countries referred to is that with us the preponderance of the imports over the exports is much greater than with them, and that it has become far more acutely marked during quite recent years. It may be that the tide has not yet turned against us, or that the turning-point may have only been reached quite recently, but that if the current proceeds in the same direction and with the same augmented velocity of flow as it has done for the last few years, we may shortly be carried beyond the line of safety and may find ourselves involved in a maelstrom of difficulty out of which no escape may be possible.

Let us seek to understand what the real meaning of the phenomenon may be. In the first place we have to remember that while there is no question that the value of the imports is correctly stated, the value of the exports is necessarily under-estimated, and that largely. The figures stating the cost of what is exported are taken from the declaration made either by the owner of the

goods or the agent who forwards them to the wharf for shipping abroad. This declaration necessarily omits a very large part of the value of the goods when they reach their destination and are handed over to the buyer. It can neither include the profit which the exporter expects to make, nor the whole of the cost of conveying the goods to their destination. These heads include many items which most people unconnected with business would never think of. To name merely a few, there is the whole expense of agency—no slight charge in itself—insurance against loss by fire, insurance against dishonesty on the part of the agent, waste in many ways. I speak from practical knowledge of the manner in which these apparently trivial items mount up. All these sums have to be added to the value of the goods. The exporter must get all these different amounts back, or he will be out of pocket by the transaction. It is obvious that trade cannot exist unless the cost of carriage with the accrued charges and the expected profit are paid to the vendor. The cost of freight is very large indeed, larger than people are apt to think. Ships are very perishable, they become rapidly out of date, they require constant repair. The payment for freight provides, among other things, practically the cost of the construction, maintenance, and navigation of those powerful lines of enormous steamers which reduce the crossing of the Atlantic Ocean to a ferry, and make a voyage to the Cape and even to Australia a mere amusement for a holiday. These lines of steamers are extremely expensive to construct and expensive to keep up. A heavy sinking fund, sufficient to replace the vessels when worn out, must be maintained. To name one item alone in this connection, I wonder how many of those who cross the Atlantic in a first-class steamer think what the cost of "boiler renewals" is. The freight received must, as has been said, suffice to pay for the whole expense of the construction and maintenance of the ships, and of the cost of navigation—it must also be sufficient to replace the whole of the original capital outlay, with all incidental charges, and to produce besides an adequate profit to the shipowners. The figures of the numbers of ships and steamers belonging to Great Britain, stated in the yearly returns, when taken in combination with those of the new ships sold abroad, give some basis for a very rough valuation of our merchant service. Six hundred millions sterling appears an enormous amount—but it is quite doubtful whether we could replace the vessels we possess for that sum, and 15 per cent is not an extraordinary gross return, and might hardly be sufficient for their maintenance. The cost of freight and the profits of the ~~warehouses~~, therefore—and in the aggregate these sums are enormous

—must be added to the cost of the goods exported in order to arrive at their real selling price.

Large as the item of freight is, it is one which as a rule we are apt to forget, though it alone would go a long way towards making up the difference between the stated value of our imports and exports, and to this the expected profits must be added. These are even more difficult to estimate than the freight, but the total must be considerable.

Besides this, large sums have to be remitted from abroad to meet the interest on foreign debts held in this country. Almost every person who lives on the proceeds of his property in the United Kingdom, has invested part of his capital abroad. In the case of a great many small investors there is no doubt that a large part of their accumulated savings are invested out of the country. The better return to be obtained from investments of this description when compared with the return from the British Funds is enough to account for this. Some of these investments are so familiar to us that we cease to think of them as foreign at all. And in one sense many of them are not foreign. The dividends on English railways in India are very commonly received by English people; it is the same with dividends on Colonial Government stocks, Canadian investments—to name merely two or three of those most generally known. All these are from this point of view "foreign." These dividends are necessarily all paid by the transmission of goods or of "values" against which no entry can figure in the tables of our exports for the year in which they are received. As the dividends accrue goods must be sent to provide the funds out of which the dividends can be paid. These goods appear as imports in the official returns. They really "set-off" against the dividends on our foreign investments, investments regarded as foreign whether they are in our Colonies or not. Our exports and our imports to and from these countries are all regarded in this sense as foreign.

The large amounts due to this country as the interest due on investments both in our own Colonies and in foreign countries have been mentioned. The figures in our official publications as to these round up to more than 60 millions annually. Some of these can be traced, but much probably passes by unregistered. The coupons on the bonds issued by a municipality in New Zealand or in Australia can be as easily earmarked as the interest on the debt of a Colonial Government and dividend warrants can be traced in a similar manner, but there are many other miscellaneous forms of investment—tea-plantations, ranches, and possibly even mines—the returns from which may elude the ken

even of the most intelligent and active officer of the Treasury. In the aggregate these sums mount up to very large figures. What can be traced amounts, as has just been mentioned, to something like 60 millions sterling a year. The large sums earned for freights and as profit have been referred to before. These are estimated as being larger than what is received as dividends on investments out of the country. Together the amounts must go a very long way towards equalising the real value of what we export and what we import.

That there must be some set-off of this description is obvious, from the fact that the enormous difference between the nominal value of the goods which we send out and of those which we receive has continued for the length of time which it has done. After all goods are, speaking broadly, bought by goods either sent now or previously. We may be very sure that nothing which we import is given us. The goods sent us in payment of the annual interest due on the value of capital which was exported in former years represent transactions perhaps of many years back. Their value, however, remains in the investments existing out of this country, but held by inhabitants of this country.

But there are some further points to be noticed which we will now consider.

The income-tax returns are often appealed to as evidence that we are not exhausting our resources. Notwithstanding the increased abatements allowed to persons with moderate incomes, the produce for each penny of income tax was larger in the year 1900-01 than it had been for years previously. This is sufficient to show that the income of the inhabitants of the country is maintained. Yet even here some points have to be considered. For instance, the salaries of Government officials are, and rightly, included among the "incomes" "brought under the review of the Inland Revenue Department." These have increased some eight millions during the last twenty years or so. The most rigid economist would not include those who enjoy these incomes among the "non-productive" classes, but as their salaries are paid out of the taxes they are really subscribed by the rest of the community, and are deductions from, not additions to, the net earnings of the country.

And when we look further into the details of our national accounts, some signs that are far from encouraging generally appear. Though we may not be parting with our capital in the sense of selling the securities in which our money is invested, we are certainly exhausting part of our national resources.

Examples of this are found if we examine into the composition of our exports during recent years. People generally assume that we must have made what we sell. The figures for 1881, 1891, 1901, are £234,000,000, £247,200,000 and £280,000,000. This looks like a satisfactory increase, nearly £50,000,000 in twenty years. But these figures include the coal exported. Coal is taken as illustrative of this class of goods. There are other exports of the same description which, rightly, ought to be added in to give the real value of what is sold away in this manner. Of these, however, I can only trace the value of coal for twenty years back in a satisfactory way. It is given here as the most important example. Coal is merely a raw product extracted from the soil, not a manufactured article at all. When we deduct the coal the figures will stand as follows :

1881. Total exports . . .	£234,000,000	
Deduct coal exported . .	<u>8,800,000</u>	£225,200,000
1891. Total exports . . .	247,200,000	
Deduct coal exported . .	<u>18,900,000</u>	228,300,000
1901. Total exports . . .	280,000,000	
Deduct coal exported . .	<u>30,300,000</u>	249,700,000

Our net exports of goods of our production, mainly manufactured articles, thus only increased some £24,000,000 in twenty years. Our net imports had increased £121,000,000 in that time. This enormous increase has only been met, as we have seen, by an increase of £24,000,000 in the value of our manufactures exported. Rightly estimated, the increase is hardly so much, as we ought to deduct £9,000,000, the value of ships exported, from the £24,000,000, as the corresponding figures were not included in the figures for 1881 and 1891. If they are taken off we find that the exports of our own manufacture had only increased £15,000,000 in twenty years. Meanwhile our exports of the irreplaceable mineral wealth of the country had increased about £22,000,000 in that time. Manufactured goods can be made, but mineral products once extracted from the earth can never be replaced. It is difficult to realise this. It means that we are now selling every year so much of the soil of the United Kingdom as is equal in value to one of our counties. In round figures there are 944,000 acres in the county of Suffolk. Taking the value of the land in Suffolk, including all buildings, railways and improvements, at something more than £30 an acre, it means that the United Kingdom had parted in 1901 with what was worth the whole of Suffolk, in value. Did the country spend this amount as income ? If it did, it will be so much the poorer for the future.

It is only needful to look through the returns of our mines and quarries published by the Home Office to see how rapid the process of exhaustion has been.

My readers must read the actual figures to see what has occurred. The coal raised in 1860 was 80,000,000 tons; in 1901 it was 219,000,000 tons. The coal exported in 1860 was 5,000,000 tons; in 1901 it was 40,000,000 tons. The iron ore raised in 1860 was 8,000,000 tons; and having been, in 1882, 18,000,000 tons, it had diminished in 1901 to 12,200,000 tons. To make up the deficiency in some degree and to keep our manufactures going, iron ore began to be imported in 1871. In that year 500,000 tons were imported; this had increased in 1880 to about 3,000,000 tons and in 1901 to 5,500,000 tons. We had better stop for a minute to see what this means. It is thus: we raised in 1901, 5,800,000 tons of iron ore *less* than in 1880 owing to the exhaustion of our mines, and we imported 2,500,000 tons of iron ore *more* than we did in 1880. Are we not poorer by the difference, or at all events by great part of the difference?

The copper raised in 1860 was 230,000 tons, in 1901 this had dropped to 6497 tons. The value of the copper ore at the mine was in 1901 about £4 a ton. Taking the value in 1860 at the same level as in 1901, this means a difference against 1901 of nearly £900,000 in the year's output.

Tin tells the same story. The quantity raised in 1860 was 10,000 tons of ore dressed; in 1901 it was 7288 tons, 16,000 tons having been raised in 1870. The value of the tin ore, at the mine, works out rather more than £60 a ton. The difference in yearly value between 1870 and 1900 is more than £500,000 a year.

Yet our consumption of the mineral products of the United Kingdom is going on at such a pace that the value of these had risen from £77,560,332 in 1893 to £125,228,804 in 1901. (The value of the metals included is taken at market price.) Nearly the whole of this increase is in coal. Of this we had raised in 1901 about 55,000,000 tons more than in 1893, with a value at the mines of £46,000,000.

Now I willingly admit that the mineral treasures of the country are valueless unless they are brought to light and made use of, but unless care is taken to re-invest a sufficient part of the produce to provide for future wants, the wealth of the nation is being squandered without a hope of any return. The history of our industrial life is thus shown to have received recently some very gloomy pages. There does not appear to be much reason to believe that the investments of British capital beyond the "four seas" have decreased, at all events seriously. But it is very

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difficult to be certain about this. Recently it has been thought by those well qualified to judge that some important classes of foreign securities are less generally held than they have been; changes in the holding of foreign securities in this country not infrequently take place. The securities of one country go out of fashion and are replaced by other forms of investment. Thus it is believed that there is remarkably little French Government stock held in Great Britain just now, and also remarkably little German stock. At one time Russian stock was considerably held; it is believed that now there is comparatively little. Fluctuations in American securities are frequent. That Spanish and Portuguese stock should not be in the same favour now as formerly is only natural. The money placed in these securities readily makes its way to other forms of investment, and very large sums may readily change hands without attracting much attention. Hardly any one can be sure whether the collective amounts increase or diminish at any fixed period. The enormous amounts obscure any minute observation of details. The country might really be spending more than its income for a considerable time without the fact becoming known. But that the great preponderance of our imports over our exports and the progressive increase in this forms a real risk in many ways is very clear. Incidentally this is the case in connection with the money market and the sudden and sharp demands for bullion which occasionally arise. These may be met by raising the rate of discount at the Bank of England, but such fluctuations are disadvantageous to business, and hence are greatly to be deprecated.

We must now consider our general position. To return for a moment to the man, under whose similitude a description of the real condition of the country was sought to be delineated at the commencement of this paper. In some ways his position is hopeful. The income estimated at £290 a year appears to be considerably larger. It is true that he does not absolutely maintain himself by his own exertions. In fact there would be a large deficiency had there not been accumulated sources of income—and he appears to put by little if anything. He has no anxiety for the present, but if he is not careful he may well be anxious for the future. Unless the vessels and the lines of telegraph he is concerned with are well kept up, the dividends will not be maintained. The mines must eventually be exhausted. Unless the owner re-invests some reasonable share of the produce he will find his income seriously diminished at a time perhaps when his family wants—for example, in the education of his children—are greater than they are now. There is no need to pursue

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his story further. What has been said will show the need of increasing care.

The important question for us is this : Can our position as a great nation be long maintained without a severe effort of economy on our part ? If we part with our mineral resources without husbanding their proceeds we shall certainly invite, if not a national catastrophe, a very serious period of depression. The figures that have been given, quoted from the official returns, show that our mineral products are largely used and to an increased extent to fill the gap between our imports and our exports. When our mineral resources are exhausted it is difficult to see where else we can turn. The official statements show that copper is scarcely now a British product, that tin is decreasing, that the quantity of iron brought to the surface from our mines is distinctly less, and that coal is largely exported instead of manufactured goods. When coal becomes more expensive to raise, how shall we stand ?

The old, homely proverb rises instinctively to the mind,

" You can not eat your cake and have it."

R. H. INGLIS PALGRAVE.

## PAN-GERMANISM IN HUNGARY

IT is impossible to speak of a Pan-German movement in Hungary : it is non-existent. The attempt to produce such a movement is another matter. Such an attempt has, in fact, been made by agents of German political associations, and has received the moral and material support of German public opinion. The admitted aim of this propaganda is the endowment of two million German-speaking Hungarians with some kind of cultural and economic organisation under the moral supremacy of Germany. The logical result of success would be the severance of two million Hungarian citizens from the national community, and the setting up of Germany as a court of appeal for the settlement of questions affecting Hungarian State interests. Official Berlin disavows in the most downright manner all participation in these Pan-German designs ; but in a certain section of German society and of the national Press they find a passionately sympathetic echo. The results which have been obtained by the attempt to organise all German-speaking Hungarians under the flag of a Greater Germany, up to now at all events, do not correspond with even the most modest demands of German political dilettantes. If, however, it is worth while to speak of what has proved to be an abortive undertaking, it is due to the circumstance that the weapons employed by, and the distant ultimate aims of the German people's policy, will be thereby incidentally indicated.

Presumably certain Bismarckian antics of German suburban politicians are not taken seriously by Berlin statesmen. If, as a fact, the German Foreign Office occasionally makes use of understrappers, such as the leaders of political associations, in its relations with people of German nationality across the seas, the wild outbreak of these associations against an allied State must be most inconvenient. It cannot, however, be denied that the Pan-German propaganda, which is directed by members of Parliament, men of science, and journalists, and enjoys the material support of hundreds of thousands of Germans, gives voice to a national idea. The noisy advertising

of an unripe conception may appear childish to the directors of German foreign policy; nevertheless, there is not the slightest doubt that they would not hesitate to make use of that conception should it attain to such a degree of maturity as would make it of value to the dynasty and to the nation. It is a well-known fact that rulers are rarely the originators of movements, and are usually merely the instruments which give effect to the will of the people. The Pan-German propaganda is a more or less instinctive but at the same time a thoroughly brutal attempt in the direction of the establishment of a systematic German world-policy. The yearnings for power of the old German Empire, following the "southward impulse," enticed it to dismember Italy; nowadays it is the "eastward impulse" that moves the masses of the young German Empire.

It is logical that the surplus energy of united Germany should seek its outlet eastward, where apparently nothing but States, aged and enfeebled, or youthful and undeveloped, interfere with its course. The establishment of terminal stations for German enterprise in the Far East has led numerous volunteers to undertake on their own account the setting out of the intermediate connecting lines. After the well-known and easily attained successes of Germany in Austria, the Hungarian Germans are marked out to serve as piers for the bridge on which the eastward track is to be laid.

It should be observed that this propaganda, which has made itself conspicuous by its naïvely brutal logic, attempts to justify itself by the assumption of an historical basis for its pretensions with respect to the kingdom of Hungary. Even serious German newspapers agree in stating that Germany has at least moral claims on Hungary, inasmuch as it was freed from the Turks by German arms. Without pausing to test the *bona fides* of this argument, we may reply to the question as to its validity that a German national army never fought in Hungary. The ejectors of the Turks were German, Hungarian, and Slav mercenaries and allies of the House of Hapsburg. It was no national idea that they served, but the aspirations to ascendancy of the ruling house and of Christendom. It amounts to a falsification of history to seize upon an historic deed of the Hapsburgs and twist it in favour of the Hohenzollern monarchy, and to make use of the logical consequences of the misrepresentation to point a weapon for use against the former dynasty. Hungary was not freed by the principle of German nationality, but by an international alliance of Christendom under the leadership of that Power

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recent times was hostile to and resisted that very movement. Years ago the German propaganda chose Southern Hungary, which is thickly populated with Germans, for its chief working ground.

Perhaps it may be admissible to interpose at this point a few remarks on the subject of the German-speaking Hungarians. According to the official census of 1890, the relative percentages of the various nationalities were as follows :

Hungarians . . . . .	48 per cent.
Germans . . . . .	13 "
Slovenes . . . . .	12 "
Croatians and Servians . . . . .	4 "
Roumanians . . . . .	17 "
Little Russians . . . . .	2 "
Various smaller nationalities . . . . .	4 "

The percentage of Germans represents a total of 1,988,589 souls. These go to form, as it were, three German-speaking oases geographically distinct from each other, whose originators were at various periods imported by Hungarian kings as colonists and received free allotments of land. The inhabitants of the district of Zips, in Northern Hungary, entered the country from neighbouring Silesia in the twelfth century. The Saxons of Transylvania are descendants of German emigrants from the Rhine and Moselle districts. Their predecessors took possession of their present homesteads likewise in the twelfth century. The Germans of South Hungary, who call themselves Swabians, were, after the expulsion of the Turks, settled on the devastated land by "King" Maria Theresa. The men of Zips and the Saxons were governed by their own earls by virtue of extensive privileges granted by the king; while the administrative organisation of the Swabians developed itself under the ægis of a military system. The youngest German settlement in Hungary is 150 years old. These racial elements never had close intercourse with each other. They differ both as regards dialect and religion; for while the Swabians are Catholics, both the other sections adhered to the Reformed Church. There can be no question of the existence of an imported national feeling, inasmuch as it is a notorious fact that, at the time when the last of the immigrants left their original home, no feeling of common nationality, in the modern sense of the expression, existed in Germany. The Hungarian Germans have never striven after a communion with the inhabitants of their original home, and not one of them now knows exactly in what district of the German Empire the cradle of his ancestors stood. If any of them possess any national feeling, they have acquired it

in Hungary, and feel themselves to be Hungarians. They know no German national feeling, and if individuals pretend that they possess such a sentiment, it is not the outcome of heredity, but an artificial product of the journalistic inkpot. It is to be observed that in the course of centuries they have adapted themselves to their Hungarian surroundings as regards habits of life, dress, and temperament. The Hungarian Germans are recognised lovers of freedom, and exhibit a well-developed political sense and feeling for constitutionalism. The Prussian state-system, based on militarism and the police force, is as foreign to their nature as the Russian system is. They are German-speaking Magyars and nothing more. So long as German influence, as represented by Austrian military and civil uniforms, manifested itself, it was hated as constituting a threat to their general freedom ; and Germanisation, which is now looked upon in Hungary as a synonym for autocracy, ever found in them its most determined adversaries. During the eight years war of independence which the confederated constituent races of Hungary waged from 1703 to 1711 under the leadership of Prince Rákóczi in defence of political and religious liberty against Austrian absolutism, the men of Zips supplied the Hungarian flag with its best regiments of infantry ; and among the names of the national heroes of that period the names of Germans from Zips find an honoured place.

In the struggle for liberty in 1848-49 the inhabitants of Zips, and Swabians from South Hungary, fought side by side for the Hungarian cause against Austria ; and the Swabians were the last to lay down their arms. In Hungary, these two German races have ever been looked upon as the first line of defence of the common liberties which are guaranteed by the existence of a common Fatherland ; and it is a very significant fact that the champions of the old Austrian absolutism, and of Germanisation, have always been Slavs and Roumanians but never Hungarian-Germans. So often as these last had the choice between Germany and Hungary, they invariably took the side of the latter, as freedom for Hungary meant freedom for themselves. It is otherwise with the Saxons of Transylvania. That small people, which now numbers but 211,000 souls, adopts an attitude of passive indifference towards the idea of Hungarian nationality. The establishment of the modern Hungarian Constitution implied the abolition of numerous feudal privileges and provincial forms of government ; and the time-honoured anachronism represented by the autonomy of the "Saxon nation" had to be sacrificed to the introduction of the new order of things. "The defence of that autonomy gave rise

to a radical tendency which now finds its expression in the party of the so-called "green Saxons," and has succeeded in securing the support of the Press of the German Empire. In Germany much sympathy and respect are shown to that small and resolute section, but it is a mistake to look upon them as out-and-out partisans of the Hohenzollerns. It is an intelligent race, which, by reason of its isolated geographical position, has developed a close conservatism, a circumspect opportunism, and may be looked upon as the last representative in Europe of the medieval burgesses. It is, essentially, no more German than Hungarian ; it is Transylvanian-Saxon and nothing else. In order to acquire powerful adherents for their local parish-pump policy, the extreme Saxon elements have given their adherence to the Pan-German movement, and it is these same elements who undertook the duty of acting as pioneers to the Pan-Germans in the attempted push towards Southern Hungary. It must, however, be positively stated (and it will be difficult for the reader who is accustomed to West-European methods of thought to understand it) that not one single Saxon has been found to openly admit his connection with the movement, much less act as its champion. Hitherto the Pan-German propaganda has renounced all attempt upon the inhabitants of Zips in Northern Hungary—it may be that the Germans are convinced that it is impossible to take that position by storm—but agents have been sent to Southern Hungary, and Pan-German newspapers for the peasants, and small financial institutions have been founded in order to obtain an influence over the various classes of the inhabitants. The leaders of the movement have repeatedly defended themselves against the charge that they have any political aim in view, and give out that they merely wish to supply the Hungarian Germans with a cultural, and in some measure an economic, organisation. \*

It is not worth while to inquire whether, from the German point of view, it is a legitimate move to interfere with the cultural and economic conditions of Hungarian citizens—in practice, where that type of interference is in question, it is Might and not Right that decides—but one can speak with advantage of the actual results of the attempt. With all respect to certain personages in Berlin it must be premised that the German leaders of the movement are the victims of a mystification. They imagined that they were supporting with their money and their ideas some principle or other of higher culture, or at all events of German patriotism ; as a matter of fact, however, their money only benefits a few members of the caste of half-educated scribblers, while

their theories, as understood by their agents, only serve to give the cue to a mob of agitators against the State, the ruling House, and the Catholic Church. That such should be the case proves the existence of an inexplicable misunderstanding of the meaning of the propaganda ; for the population is purely Catholic, and the Catholic clergy in Hungary is well known to be characterised by a liberalism and tolerance which is all too rare on the Continent. The agents of the movement, who openly worked on Austrian lines, tried to kindle a fire of race-hatred, and thereby to divide society into two camps, Hungarian and German, in order that the latter might the more easily fall victim to their designs. They attempted to bring this about by propagating the well-known "alcoholic" \* theory of German racial superiority ; namely, that members of the German race, by virtue of that superiority, are destined to rule all inferior peoples—*i.e.*, all non-German races. Everything Hungarian is treated with that spiteful, pitying contempt which is the most remarkable product of the modern German press. In their pamphlets, their newspapers, and their speeches the Germans systematically sneer at the historical past, the national ideals, nay, the very character of the Hungarian people. They agree in pronouncing the Hungarian State-language to be a barbaric idiom, and openly stigmatise fathers and mothers whose children speak the Hungarian language, or sing Hungarian songs. Generally, they wish to establish their contention that every Hungarian-German who does not adopt an attitude of relentless opposition to the idea of a Hungarian fatherland, and its consequences, should be regarded as a contemptible renegade. I doubt if a near acquaintance with the various details of this unattractive campaign would please the reader, and I will refer only to the episode of the Lenau-monument, which will suffice to give a general idea of the weapons employed by the Pan-German party.

In German circles a proposal was made to erect a monument in Southern Hungary to the poet Nicholas Lenau, who was born to an Austrian father a hundred years ago in the Hungarian village of Csatád. At the same time the notion was conceived of making political capital out of this proposal in a sense antagonistic to Hungary. But as the name of the poet is much beloved in that country, some of the literary men in Budapest seized on the idea, and in a very short time collected the money required for the erection of the

\* Bismarck is reported to have said that exceptional capacity for beer-swilling was the cause of the racial superiority he claimed for the Germans.—*Epítők N. R.*

whereupon the German newspapers cynically declared that a memorial erected with the aid of Hungarian money must be looked upon as an insult to the memory of the poet, and insisted that their German partisans should take no part in the movement. Never have more pitiful weapons been employed in a more pitiful cause under the ægis of the German flag.

Up to the *tithe* of the Lenau episode, which marks a sharply defined turning-point in the history of the development of the Pan-German agitation, certain results had unquestionably been achieved. Such proselytes as had been gained over to the cause from among the lowest strata of the country population cannot be looked upon as recruits won for Prussia ; but that they were brought into a condition of ferment and nervous excitement is undeniable. As a matter of fact, this result must be referred to the general sense of discontent produced among the poorer classes by various economic crises. Social conditions made smooth the way for the Pan-German propaganda, in the same way as circumstances in industrial centres drove the discontented into the arms of Socialism. Generally, the success of the propaganda has been rendered possible only by the all-too-great freedom of speech and of the Press in Hungary, and by the patriarchal, contemptuous attitude which Hungarian politicians and authorities are wont to adopt towards political theorisers ; and though even the well-organised Opposition press of the country demands that the bonds of national discipline should be tightened, practical politicians of the controlling classes still incline to the view that the wildest and most revolutionary ideas are, so long as they remain purely theoretic, far less dangerous to the State than the eventual establishment of a political police service would be.

The reaction against the German propaganda has in consequence been due not to the authorities, but to Hungarian society. The writer took occasion to direct public attention in a pamphlet to events which had taken place in Southern Hungary. The immediate result was that the patriotic intelligence of the Southern Hungarians proceeded to organise itself to combat the German propaganda. Count Albert Apponyi, the present President of the Chamber of Deputies, who, even at the time of his leadership of the Opposition, was held in great and special honour by the South Hungarian people, seized on various suitable opportunities to appear among the peasants of German origin, and to call upon them with fiery eloquence to wage a war to the knife against the instillers of Pan-Germanic poison. His speeches had a prodigious practical effect, and

sufficed to make the position of the German agents in Hungary untenable. A kind of society-boycott was held over their heads, and proposed mass-excursions of partisans of the Pan-German movement into Hungary had to be hastily abandoned, in view of the embittered state of feeling of the patriotic inhabitants. Finally, the Government authorities found themselves compelled to summon some of the said agents before a jury on a charge of engendering discord between the different constituent races. It is a remarkable fact that the first of these cases, which was tried in Szegedin before a jury of pure Hungarians, ended with the acquittal of the accused ; while the verdict of juries of German origin in Temesvar was invariably " guilty." Two of the most notorious agents, convinced, apparently, of the impossibility of maintaining their position, avoided a sentence of some months' imprisonment by voluntary exile, and betook themselves to Germany, where for some time they were *held* as martyrs of Hungarian oppression. It is to be noted that these two agents who continually presumed to constitute themselves the mouthpiece of two million German-Hungarians in the German press, were national schoolmasters who had come to grief.

For the moment the ship of the Pan-German propaganda may be considered to have run aground ; but in view of the well-known determined character of the Germans, it may be assumed that an attempt will be made to refloat it so soon as a convenient opportunity presents itself. At present the propaganda confines itself to a long-range bombardment of Hungary through the medium of the German press, for which no kind of projectile is too brutal to be used. To judge by what has hitherto been our experience, we may conclude that the propaganda will never attain the objects which its directors have in view. If an attempt is made by the Germans to oppose to the traditions centuries old, and to the practical requirements of a people, a race-feeling which is the product of journalistic scribblers, it is always possible for them to speculate on the mental crookedness and love of gain of those doubtful elements which are ever to hand ; and it is possible that they may eventually succeed in creating difficulties for the Hungarian State, but they can never succeed in calling to life a German national feeling in Hungary. Results of a kind the agitation has indeed produced, and of a type that all seriously-thinking Germans must necessarily deprecate, viz., a deep-set mistrust of Germany. It is not for me to judge whether so powerful a State as Germany must take into consideration in its political calculations the sympathy or antipathy of so small a country as Hungary ; but one thing

know, namely, that Hungarian sympathy for Germany stands in inverse proportion to the violence of German newspaper-attacks on Hungary. That attitude of contemptuous superiority which German politicians and newspapers adopt in judging whole nations has already borne bitter fruit in Hungary. Bismarck said in one of his Parliamentary speeches that every country is, in the long run, made responsible for the windows which its Press has broken, and that the bill is sooner or later presented in the shape of ill-temper engendered in the mind of the people that has been the object of attack. The unquestionably high prestige which Germany once enjoyed in Hungary has suffered greatly owing to the fact that the name of Germany has been misused as the banner under which a contemptible campaign has been carried on. On the threshold of the East, Germany was ever looked upon as the representative of a higher form of culture and of that discipline on which States depend for their existence; and the fact that she has been involved in a petty underground intrigue has unquestionably inflicted on her a moral degradation.

The fierce lust of aggression manifested in Pan-German circles has been inspired and justified by the disingenuous suggestion that a hatred of Germany exists in Hungary. Whoever has visited Hungary, even merely as a tourist, knows that its people is quite incapable of race hatred. Certainly a political hatred of Germany once existed, but it was directed exclusively against the Germanising efforts of old Austrian absolutism. The development of the power of the young German Empire was greeted with warm sympathy in Hungary as the victory of the principle of nationality; and at the time of Kaiser Wilhelm's stay in Budapest it was possible to speak of the existence of a Germanophil sentiment. When, however, against these easily verifiable facts are set deliberately evil-intentioned press reports as to the persecution of the Germans; when German newspapers of wide circulation reproduce centuries-old Hungarian battle-songs, suppressing the date of their composition, as proofs of the hatred entertained for Germany; when demonstrations of Hungarian undergraduates against unpopular Viennese sing-song societies are instanced to show that Germans are persecuted; and when at the same time there is a conspiracy of silence as to the storm of applause that yearly greets the appearance of the Berlin theatrical company in Budapest, such tactics can only be described as playing with loaded dice.

The attacks in speech and print of the Pan-German propaganda are directed in the first instance against the idea of the existence of a united Hungarian nation, which conception is

regarded as an outrage on the non-Hungarian-speaking national elements, and must therefore be destroyed. The Germans are in the habit of treating such a conception with pitying contempt and of sneering at it as childish and Utopian ; but this, of course, does not alter the fact that a united Hungarian nation has existed for centuries. The existence of the nation in its present form is an historical necessity, as it is based on the fundamental political conception which a thousand years ago produced the fusion of races in the plain watered by the Danube and the Theiss. It is true that the course of national life has been interrupted by hostile incursions, but it still preserved its essential conditions, and succeeded in reorganising itself. The State is, even now, no perfected entity, and requires reform in many departments of public life. All the same, it provides the only possible form of constitutional existence for Hungary. It is true that agencies hostile to the idea of national unity are at work ; but, if one computes the number of centrifugal forces united in the German Empire, one may possibly come to the conclusion that, though the dimensions of that Empire are more grandiose, its constituent elements are not more closely welded together than those of Hungary. German Jingo newspapers, for purposes of comparison, treat the various percentages of non-Hungarian nationalities in Hungary as if they constituted one undivided whole, and draw their arbitrary conclusions therefrom ; but they forget that the conditions of life in Hungary cannot be measured by an Austrian standard. The Austrian nation is compounded of various elements in the form of states ; in addition to its centres of German culture it comprises Romance and Slavonic capitals of extreme antiquity, each of which has its own national past, its special form of culture, and its own distinctive society. Hungary, on the other hand, arose as an indivisible uniform kingdom, possessing one history and one culture. The whole body of great landowners, the aristocracy, the numerous county families, and the educated middle classes are purely Hungarian. The trade and business classes, though partly of German and Semitic origin, through the force of tradition feel themselves to be Hungarian.

The subjects of great military states easily fall into the mistake of judging as to the existence of the conditions essential to national life by the increase in the numbers of possible recruits. The English, at all events, are capable of understanding the influence which the idea of a common Fatherland existing from time immemorial has in cementing the bonds of nationality, and are able to appreciate the cohesiveness imparted by the religious cult of St. Stephen's crown, and by a constitution which has lasted a thousand years

defended with streams of blood. In Prussia they used to sneer at such arguments and to call them Chauvinistic ; but every Hungarian knows that it is this very Chauvinism, this holding firm to the ideal of a free and united state, which guarantees to Hungary its national existence. The Pan-German movement was at first disguised as an attempt to resist the policy of compulsory Magyarisation of the constituent elements of Hungary. Such a policy would have been essentially absurd, and in fact it never existed. When the writer, in the course of a discussion, publicly challenged anybody to show him one single German who had been compulsorily Magyarised, the challenge was considered absurd and no one knew what answer to make. It is a hopeless undertaking to attempt to forcibly deprive anybody of his national language and peculiarities : as to this the Pan-Germans may derive consolation from the contemplation of their Polish provinces. The German in Hungary prays to God and speaks to his children in whatever language he chooses. He himself decides what tongue shall be employed in the public offices of his autonomous commune and in its elementary schools, and the authorities make use of the language of the people in their direct intercourse with the inhabitants.

The fact that the desire exists that the constitutional rights of the State-language should be preserved by insisting upon the use in public offices of the Hungarian name (which, as a rule, has existed from time immemorial) in cases where localities have different designations in the different languages, and that the teaching of Hungarian is compulsory in public schools, can be looked upon as a proof of forcible Magyarisation only by those who suffer from that form of insanity which sees a persecutor of the Germans in every Hungarian.

The following statistics illustrate the necessity of employing the State language. In the district of Torontal, on the frontier of Southern Hungary, the chief centre of the German population, there are 222 communes. Of these, 43 are Hungarian, 34 are Roumanian, 67 are German-speaking, 63 are Servian, 4 are Croatian, 5 are Slovene, and, finally, 6 are Bulgarian. Without the unifying factor supplied by an official language in that district public administration and intercourse would be reduced to an absurdity. That a voluntary Magyarisation takes place is true. Those offshoots of the reigning House who have long been settled in their hereditary estates in Hungary, and those descendants of the old German nobility who use the Hungarian language for family intercourse, were certainly not forcibly Magyarised. The overwhelming

majority of the intelligent classes, from whatever race they have sprung, identify themselves, also as regards language, with the Hungarians, as constituting the element intellectually most congenial to them. This is certainly not the result of any form of compulsion, but is the natural outcome of an historical cultural process which is found again and again at all periods and in all countries. This process of amalgamation reaches its full development by virtue of the compelling influence of historical law—namely, that an educated man can perform his duties to mankind only by virtue of national membership. It is only as a member of a nation that a man can be useful. The Hungarian-Germans who have been severed from the parent stem can never constitute a nation of themselves ; at the most they can form an individualised section. The choice of one of two courses is open to them : either to be an element of constructive value, useful co-workers in a great common organisation, or to limit themselves to being a dissolving agent, to the everlasting negation of an accomplished fact.

If the German press proscribes as renegades Hungarian citizens whose forefathers have lived in Hungary for centuries, and who feel themselves to be Hungarians, it will certainly not obstruct the natural course of events. One may fairly ask why members of the numerous distinguished German families of indisputably Slavonic or French origin are not also branded as renegades. The fact that the Hungarians receive such valuable additions to their numbers with open arms speaks well, in the case of a people which is in other respects characterised by an aristocratic reserve, for their spirit of toleration and political ripeness. Defenders of the theory above referred to of German racial superiority consider it inexcusable, from the general point of view of humanity, that members of a culturally superior nation should amalgamate themselves with an inferior race. But this is a mere juggling with words. As regards culture, Germany undoubtedly stands considerably higher than Hungary, whose development has been hindered by the fact that fate appointed her to be the outpost of Europe against piratical attacks from the East ; but this only applies to the Germans of the German Empire, not to the Germans of Hungary. In Hungary, hitherto only one race has existed which has succeeded in creating for itself an independent national culture, namely, the Hungarian. Whatever fruits of culture have been produced by Hungarian soil during the last thousand years, all, without exception, have sprung from a Hungarian stem. The Saxon inhabitants of Transylvania, who slammed the door in the face of Hungarian civilisation, were always mere importers of German culture, and

produced anything distinctively their own. In the last hundred years that undoubtedly intelligent people never, in one word, conceived one thought, or wrought one deed which could attract the attention of mankind ; and one may fairly ask in what respect the cultural superiority of this genuinely German race, the praises of which have been so often sung by the Germans, has manifested itself. It cannot be a mere accident that the anti-national propaganda in Hungary never numbered a man of intellectual importance among its defenders, whereas men of foreign origin were ever to be found among the most brilliant champions of the Hungarian cause. That cause is in fact the constructive and preserving element of the national life to which all the moral energy, all the talent of the country feels itself akin, both by nature and by choice.

The fact must be emphasised that the general opinion of Hungary, with the exception of that of certain extreme sections, even to this day clings to the Triple Alliance, although it cannot be concealed that the alliance no longer meets with unqualified acceptance. In Hungary people discern the difference between the official policy of Germany and that of German amateurs ; there is, moreover, a traditional tendency to comply with the wishes of their respected monarch, more especially as regards questions of foreign policy. Further, the national vanity of Hungary has always been flattered by the notion of being in close connection with Western Europe. The Germans appear to misunderstand the meaning of this faithfulness to treaty-obligations, and even official organs like to imagine that the existence of the Triple Alliance is a condition precedent to Hungary's position of predominance in the dual monarchy. They sneer at the idea of a possible understanding between Hungarians and Slavs as the product of a narrow Chauvinism ; but whoever considers the future prospects of the nation from the Hungarian point of view arrives without difficulty at the conviction that the ocean of German influence, so soon as it attempts to flood the edifice of our national existence, is neither more harmless nor more dangerous than the sea of Pan-Slavism.

Pan-Slavonic ~~ideals~~ are just as chimerical as those of the Pan-Germans ; but the underground intrigues of the latter in Hungary are vastly more unpleasant than those of the Russians.

Hungary constitutes a firm support of the Triple Alliance, but that support would in the space of a moment become as weak as water should the maintenance of that alliance imply, even theoretically, the relationship of guardian and ward between Germany and Hungary. It is clearly recognised in Hungary that the existence of a State must not be allowed to

be conditional upon the good- or ill-will of other nations, but must depend, in the first place, on the vitality of the State itself. If that quality is lacking in Hungary, neither German nor Slav will save her from decay. But she must be allowed to decide for herself what are the essential conditions of such a state of vitality, and must try to find them for herself, and, when found, to maintain them, even at the risk of thereby forfeiting the sympathies of foreign races. The first and most important condition is that Hungary should hold firmly and unswervingly to the idea of a State, one and indivisible, and from this idea no Hungarian will ever deviate one hair's-breadth; for every one has been taught by the history of his nation that all that was taken away by force of arms was won back in course of time, and that only what was voluntarily surrendered was lost for ever.

It is not to be supposed that the German leaders of the Pan-German agitation are merely animated by the desire to put into practice an eccentric suggestion of Nietzsche, who speaks of the tendency of "superior races" to make up for the restraint which they impose upon themselves in their social relations at home by rudeness abroad. It would be far better were the propaganda to aim at giving a helping hand to the plans for the future of the German race by winning the sympathy of the near East. When the leaders of the movement draw up their profit-and-loss account of the results of the campaign in Hungary, if they are guided by the rules of ordinary logic they are bound to come to the conclusion that the loss of sympathy and respect which the German cause has suffered in Hungary vastly outweighs the trifling and highly doubtful advantages which the propaganda has obtained. It can be proved that the brutal interference of Germany has weakened, rather than increased, the consciousness of German nationality in the German-Hungarians, inasmuch as the educated elements of the latter now give indications of a more deliberate and demonstrative attachment to the conception of Hungarian nationality. As regards the interests of that conception, every one agrees, not only in official but even in extreme nationalist circles, that it is superfluous to adopt any exceptional measures against the German propaganda, as all have arrived at the conviction that the voluntary influence of the patriotic intelligence of the German-Hungarians fully suffices to keep the people true to their traditional policy of faithful allegiance to the State.

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WHEN any innovation is being made in the existing order of things, it is right and proper that the novelty should be carefully and critically examined, and that an impartial estimate should be formed as the result of the scrutiny. There are changes that are imperative, new positions that must be faced, altered circumstances that have to be taken into account, provisions that have to be made, and certain classes of compromise that cannot be avoided, and for one and all of these every reasonable man makes allowance, as knowing them to be incidental to his growing experience. It is otherwise with arbitrary and ruthless interference with established routine, traditional policy, and the concentrated wisdom of the elders. One thus approaches with jealous caution the educational projects of Mr. Carnegie, whose dole to the Scottish Universities we propose for a little to consider. We are, of course, at one with this reformer on the general principle of philanthropic effort, and willingly accord a meed of praise to the generosity that has in recent years disbursed funds to an extent that almost staggers the imagination by its vastness. At the same time, we doubt the wisdom of some of his methods, and demur in certain respects to the application of his superb liberality. His delight in planting libraries broadcast through the country has made him widely and favourably known as a philanthropist, and in the absence of apparent motives it is only fair to grant to him that, so far as this movement is concerned, he appears to be disinterested. At the same time, there will be found those who hold that the free library, in the majority of cases, is but a sop to the indolent loafer, a stimulus to the desultory reader and the *dilettante* in letters, and, above all, a pregnant source of honour and glory to the gracious donor himself. There is no need to endorse such a view at the moment, but it is important that it should be stated as preliminary to what still falls to be said.

When we come to consider Mr. Carnegie's relations to Scotland in particular, we find it a little more difficult to realise his exact position. His activities, for example, in the matter of church organs constitute a very doubtful contribution to the popular welfare. Here the eleemosynary element is distinctly in evidence, and the patronage touches the moral character of those directly affected. The question of instrumental music in church is too large to be entered upon in a merely casual reference, but it seems perfectly fair to say that, if a congregation desires the help of string or wind instruments in its expression of praise, it should depend on itself for the supply. If it cannot meet the expense it should dismiss the thought of the luxury. Scotsmen who appeal to the millionaire for help in this matter, and will humbly accept half an organ at his hands in default of an entire instrument, contrast instructively with their legendary compatriot who once heard the nightingale in England and was expected to be charmed with the glories of its song. But he was not to be caught unawares: "I wadna gi'e the wheeple o' a whaup," he cried, "for a' the nightingales that ever sang!" He knew that nightingales were impossible among his own resources, while the whaup, with unfailing regularity, summered on the moors at home. Similarly, why should not those who are unable to provide instrumental music for themselves be content with the "wheeple" of their own unaided voices in the service of praise? An organ in a church is a luxury, and no luxury should ever be the result of charity however cheerfully given. It seems worth while, then, even at this advanced stage of his career as a church benefactor, for Mr. Carnegie to consider whether or not he is playing the part of a true philanthropist in ministering to the unhealthy appetite of invertebrate and sentimental congregations. It cannot, surely, be any part of his policy to sap the independence of bodies of men, and yet that is the practical outcome of the generosity that has been so widely active among the churches of Scotland. For ulterior purposes fully known only to himself, the cynic will readily affirm, Mr. Carnegie is steadily winning grateful attachment throughout the length and breadth of the land.

The question of a maimed and tainted independence is that which meets one on the threshold of the inquiry as to Mr. Carnegie's intromissions with the Scottish universities. In Scotland the scholar has usually been distinguished after the manner of Chaucer's clerk of Oxenford. He has had to face poverty, and to make his discoveries and pursue his ideals under circumstances tending to restrict his energies and repress his enthusiasm. His

educational resources have always been meagre, and his academic institutions, owing to wofully limited means, have not been able to afford that generous nutriment which is calculated to produce ripe scholarship and the graces of lavish culture. Thus it has come to be a proverbial saying, sometimes uttered with a taunting design, that the Scottish student cultivates the Muses on a little oatmeal. If we admit the fact, we are at once surprised into the reflection that the dietary must have been all along of a remarkably energetic and stimulating character, for eminent scholars, philosophers, men of letters and science constantly step forth from the Scottish universities, and easily hold their own with representatives of more imposing and more favoured centres. The Scottish seats of learning have always been hampered by their limited endowments, but they have never lacked generous patrons, whose aid has been practical and effective, if never sufficient to remedy serious evils and supply clamant defects. But they have always been able to keep pace in an admirable degree with the advance of the generations, and to send forward their alumni fairly well equipped for the battle of life. In their medical schools they have long been the admiration and even the envy of the world, and of late they have been making strenuous endeavours to maintain this honourable distinction and to bring other branches of science up to a similar level of excellence. The philosophy of the Scottish universities has always been worthy of the countrymen of Hume, and there seems no reason to fear that the future will prove an exception to this satisfactory position. Their Divinity Halls will compare not unfavourably with similar training-schools anywhere, not merely in breadth and tolerance of historical survey but in vigour and acuteness of speculative endeavour. The study of literature, ancient and modern, is not nearly so comprehensive as it should be, nor is it on the sound basis that gives such study its sovereign value as an instrument of lofty culture both in England and many Continental universities. What is wanted in this, as, indeed, in all departments of study in the Scottish universities, is the substitution of what may be called the analytic for the synthetic method. There is a pressing need everywhere for the division of labour and the activity of many forces where one has at present to suffice. Professors are over-worked in the meantime because they have at once to lecture, to teach, and to examine. They have little opportunity to exploit their particular subjects, seeing that they are hopelessly bound by a conventional routine. They cannot contemplate the scope of their work because of the exacting demand constantly made on their powers by numerous details; they are unable to see the

wood for the trees. To be qualified for research a student must have leisure, and leisure is one of the privileges sternly denied to the Scottish professor. His work with his pupils is paramount, and to that he must give his best energies whatever may become of his personal ambition and his alluring ideals. He cannot be set free from the daily round, that holds him as a schoolmaster is held, because there is not available money to provide for the separate management of the details under his individual care. If he succeeds in making contributions to the science of his subject, he does so at the cost of indispensable recreation, and therefore at the peril of his life. In these circumstances it is plain that the Scottish universities have always been in the position heartily to welcome what the Scripture calls "a cheerful giver."

Now steps forward Mr. Carnegie, after amassing from the manufacture of steel a fortune beyond the dreams of avarice, and intimates his desire to handle the complex educational difficulty of the universities. He proffers a very large sum for behoof of the four academic centres, but, with the astuteness and the assurance characteristic of the successful man of business, he makes the donation in his own way and restricts it by his own terms. He is not going to relieve the existing congestion very materially—he seems, indeed, to ignore the fundamental sources of culture altogether—but he designs certain momentous innovations if allowed to direct and mould them himself. On June 7, 1901, Mr. Carnegie intimated, in a letter to Lord Elgin, that he had placed ten million dollars under the charge of his Lordship and certain other trustees "for the benefit of the universities of Scotland, and the youth of that country who desire the benefits of a university education." He assigned the funds, and he assured Lord Elgin that he was confident he and his colleagues in the management of the Trust would see that the resources thus placed at their disposal were "administered in the most advantageous manner." Mr. Carnegie's dole is thus bestowed with a twofold aim—to assist the seats of learning, which are in pressing need of funds, and to help in securing an academic career for budding genius in destitute circumstances. Magnanimous, surely, and deeply touching, this momentarily prompts in the patriotic bosom the vain reflection that the world might have been other than it is had such an educational benefactor appeared in an earlier generation. What might not have been, for example, had he dispensed his liberality when Dugald Stewart had just begun the study of his letters, and a blast of January wind blew handsel into a "clay biggin" in Kyle? But

Mr. Carnegie, like other men and philanthropists, had to take his opportunity only when the fates were kind enough to give it. He was destined to appear long after the creation of Tam o' Shanter, and thus to have no chance of moulding the hand that produced that equestrian adventurer, and keeping it from unhallowed contact with plough-handles and barrels of beer. He will mend this, however, as best he may, for he will see to it that all the universities are bound to him by generous benefactions, and he will constrain them to receive within their cultured borders every youthful peasant that proposes to burst the bonds of circumstance and to brandish glittering shafts of war in high places. This is unquestionably a new and a revolutionary thing, and one not without a certain deep and even portentous significance. Let us examine details a little more closely, in order to find exactly what the protagonist in the movement proclaims as his purpose, and thereafter to draw what conclusion we may regarding the effect of his action on Scottish education and character.

In designing his Trust Mr. Carnegie allots half of the net annual income derivable from his fund to incidental improvements of the university buildings, and to the fuller equipments of the teaching staff in certain departments of study. This seems a fair and reasonable arrangement, and but for the conditions with which it is guarded might straightway secure for the donor and his generosity unqualified gratitude and admiration. Mr. Carnegie, however, is not satisfied to be a benefactor of the seats of learning in Scotland—his native land, as he is pleased to remind such as it may concern—but he retains in his own hand, and through his acting committee, the development and application of his scheme. His gift thus ceases to be a gratuity and becomes a source of obligation; it confers on the donor and his successors and representatives an authoritative influence over the humble and dependent institutions with which it has pleased him to form a working alliance. The Trust deed intimates the possibility of making substantial additions to the academical buildings, or establishing new professorships or lectureships, or creating scholarships for the encouragement of research, but in every case the Lords and Gentlemen acting for Mr. Carnegie will exercise the dominating voice. All will be "as the Committee may from time to time decide." Further, the principle on which the practical millionaire has helped many Scottish congregations to secure pipe organs for their churches is also to find play in his plan of university extension. The Committee will always be entitled, if they deem it expedient, says the *deed of gift*, "to

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make any grant allotted to any of the aforesaid purposes conditional on the provision by any other person, trust, or corporation, of such additional sums as they may consider reasonable, or as may be required to attain the desired object." The directors of the Carnegie Trust are not to be too exclusive ; they are not to prevent others of a philanthropic temperament from contributing their mite to the cause of the higher education in Scotland ; but they themselves are meanwhile to control the situation. What this may lead to it would be rash to predict, but it seems an arrangement skilfully contrived to secure the subservience of the universities, which may in time come to be called the Carnegie Institutes. Meanwhile, a place of business, with permanent officials, has been duly established for the effective working of the Trust, and there are meetings of the executive managers from time to time for purposes of deliberation and legislative enactment. Mr. Carnegie's committee promises to become a body with powers similar to those of the mysterious "My Lords" who superintend the cause of national education in the United Kingdom. The day is perhaps not far distant when the University Court and the Senate will have to transact their business under possible correction from the Lords and Gentlemen of the Carnegie Trust.

That this is not a particularly extravagant conclusion will be readily seen by reference to the published "Recommendations to the Executive Committee." On the question of building grants, for example, we find this preliminary caution :

The Committee, though it may give general approval, will come under no obligation as to any specific sum to be contributed to any building scheme, until that scheme has been laid before them in complete form, with plans and estimates, and with a full statement embodying, among other details, the amount of financial support promised or expected. . . . In the case of a grant for equipment, a general statement of the character of the fitting or apparatus required will be submitted by the University Court to the Committee for their approval.

This is perfectly explicit, and shows the care and skill of the expert business hand. No new buildings but such as Mr. Carnegie and his committee may desire to see will get a penny from the Trust funds, and no supplementary contributions from other sources will be deemed satisfactory until they have received executive sanction and approval. Furthermore, the University Court will introduce at their peril, if they do so on their own initiative, any modification of the Leyden jar, or any experimental specimen of the new spinthariscope. My Lords and Gentlemen will have to be consulted in every case, or unpleasant consequences

may follow. Similarly, endowment grants will be regulated with the utmost vigilance, for "the Committee will hold the funds until the destination has been settled in conference with the University Court." This makes it perfectly clear that there is to be henceforth a new and, presumably, a guiding factor in the business management of the Scottish universities. Perhaps the result will be an improvement on traditional methods, but in the meantime it is possible only to speculate as to consequences, and it seems perfectly safe to say that while the innovation is arbitrary it is directed and permeated by an intrusive and imperious spirit. So far as one may venture on tentative interpretation of motive, and without attributing any sinister design, it seems not unfair to suggest that Mr. Carnegie has theories as to what university culture ought to be, and that he desires all coming improvements to conform to these preconceived notions. This, of course, is to run counter to the very idea that underlies the university system, and to make a sure preparation for the ultimate ruin of the Scottish seats of learning. A strong man, who is determined to establish the principles of conduct in which he has an implicit belief, sees only the excellence and the beauty of what he is desirous to achieve, and has not a moment to consider the possible chances of his own fallibility. Thus Mr. Carnegie may be under the impression that he is engaged in perfecting the educational system of his native land, and fail to see that he is all the while sapping it at the very foundations. The exceeding pathos of such a predicament gives the onlooker startling pause, and he regretfully recognises in the modern iconoclast a new Don Quixote inspired and impelled by his grotesque hallucinations.

The quixotic features of the situation are more distinctly manifested in the second part of Mr. Carnegie's scheme. Besides his desire to improve the university buildings in accordance with his own notions, and to enhance the facilities for scientific study and research (with due reservation regarding apparatus), he wishes to pay the fees of poor but ardent youths who are anxious to have an academic training. Like the experience of the man who once saw Shelley plain this is something certainly strange and new. Mr. Carnegie recognises the unprecedented nature of this proposal, for in his published letter to Lord Elgin he indicates that practical difficulties may arise owing to "the spirit of manly independence so dear to the Scot." He thinks, however, that young men's scruples will be overcome if they learn that it is always open to them to refund the outlay made on their behalf. He makes repayment optional, and cheerfully assures prospective candidates that they will be expected to return to his treasury the

amount disbursed in their interest only if they are "ever in" a position to do so." This is a wily hint to the tyro to give hostages to fortune. The student who is thus baited towards a speculative investment of his powers is supposed to have reached the reflective age of sixteen, and therefore to be naturally confident about the possibility of treating the world as his oyster. He will accept the proposal, and when the day comes on which he marries a princess it will be his pride and pleasure to remit to the Carnegie Trust a cheque in full repayment of obligation, with interest to date at the rate of 5 per cent. per annum. It is an attractive and glowing prospect, a vision hampered by no such prosaic hypothesis as that which underlies the rapid day-dream of Alnascher, and strictly in accordance with "the spirit of manly independence so dear to the Scot." Mr. Carnegie postulates that the recipients of his bounty shall be "deserving and qualified youth," and he encourages applicants to come forward by informing them that he asks no personal credentials, being satisfied that they will agree with the moral code of their country's poet and respond where'er they feel their honour grip. He will make no inquiry into their means, and they will have the use of the money if they really wish it and satisfy his trifling conditions. To be sure, a letter will go to a parent or guardian stating that the application of the incipient genius has been entertained, but that is a trifling detail, for all well-constituted parents and guardians have an implicit and encouraging belief in the youthful Hume, or Chalmers, or Carlyle, over whose destiny they have been privileged to preside. So Carlyle, or Chalmers, or Hume, as the case may be, enters into the solemn compact with Mr. Carnegie, receives payment of college fees from the accommodating Trust, and looks courageously forward to the happy day when he shall discharge the debt, and bravely exhibit to all the world "the manly independence so dear to the Scot."

Did it never occur to Mr. Carnegie as a man of the world that in thus hampering young footsteps on the very threshold of life he was making a very perilous and perhaps deadly experiment? He encourages ambitious and inexperienced boys to undertake a responsibility which they may never be able to meet. Their sense of independence is blunted and burdened at the outset of their career, and they may possibly go through life with Mr. Carnegie seated heavily on their shoulders, a veritable old man of the sea. By accepting the terms of the Trust deed every youth virtually commits himself to a debt of honour, and this, if conscientious, he will naturally desire to meet at the earliest possible opportunity. Unfortunately a university career does not always

imply subsequent worldly success, for the poor scholar, like the poor as a class, is always with us. Dominie Sampson is constantly abroad in Scotland, perhaps more than is generally known or imagined. He is not only the humble tutor and companion of the young men in a country mansion, but he may be found in a town garret struggling for a livelihood by taking stray pupils, or furnishing "supply" when ministers are on a holiday, or doing laborious and thankless hack-work for the newspaper editor or the benignant publisher. As a school boy and a college student prosperity had gaily blossomed about his footsteps, but fortune deserted him when he essayed to take his place in life. He is absent-minded, impracticable, destitute of resource, compact of miscellaneous knowledge, the bulk of which the world can very easily dispense with. Thus the vast acquirements of the brilliant student are so much lumber in his brain, and he must earn a sorry pittance through the medium of the spelling-book and the multiplication table. Why should the additional burden of a hopeless debt contracted before the years of discretion be added to the dreary cares of this heart-broken man? Dominie Sampson could never repay his college fees to the Carnegie Trust, nor could Thomas Carlyle himself have comfortably met the responsibility till he was well on in life, and any pleasure he might have received from early financial support had ceased to be a spiritual influence. Now Mr. Carnegie may largely swell the class of the Sampsons without appreciably adding to the Carlys, and the possibility of such an issue does not bode well for his scheme. It is inevitable that among the hundreds who have responded to his invitation, and accepted his loan, a very large portion will never be in a position to free themselves from the obligation. They will go through life feeling their honour at stake, and helplessly unable to ease their troubled consciences by effecting a settlement. Only a quixotic philanthropist or a cool director of diverting marionettes will face a prospect of this kind and remain unmoved.

There is the further risk that both young men and their parents and guardians, although perfectly capable of self-support, may be moved by the engaging terms of Mr. Carnegie's proposal to consider themselves eligible candidates for relief. This is a very serious possibility, for it suggests the active operation of that subtle mental process which makes the worse appear the better reason. It is a truism that men abound in the world who are ready to shirk their responsibilities if they can conveniently transfer them to willing shoulders. And it is easy to argue oneself into the belief that a given expenditure is beyond one's

resources, especially if there is a ready-made and tempting means of escape from the necessity to disburse the amount required. The position of the wealthy miser is only an extreme illustration of this unhealthy and disconcerting mental attitude. Why, for example, did John Elwes, who died in 1789 worth half a million, prefer to sit for hours in wet clothes rather than go to the expense of having a fire? He had, of course, persuaded himself that he was bound to economise, and that the usual domestic comforts were not indispensable to his welfare. Here the animating principle, having become exaggerated and diseased, has run out towards insanity, but it had to be fostered and developed from the comparatively harmless and eccentric roots of energetic selfishness and self-delusion. The essential danger lurks in facile beginnings; the development advances consistently and with appalling impressiveness, and the issues are like the rushing of mighty waters. Self-persuasion is a comparatively simple process, and there is nothing of which a parsimonious man is more easily convinced than of the perfection of a device that helps him to harvest his resources. Wealth is a relative quantity, and there are thousands of people, dwelling in comfort and able for their own turn, who know that they are many degrees from being in a position to touch the borders of affluence. These are immediately tempted by such generosity as that of Mr. Carnegie, and the temptation in very many cases may culminate in producing a comparatively submissive spirit of acquiescence. It is not as if a direct approach were made and a personal bargain struck, for the arrangement between the consenting parties straightway becomes a respectable and prosaic piece of business when it is completed through officials and has reference to a great national institution. In the reports issued as to the initial working of Mr. Carnegie's scheme, a case is mentioned of a student whose claim was admitted and whose father instantly cancelled the proceedings when they came to his knowledge. This is duly paraded as an example of sturdy independence and sterling integrity on the part of the father, but no attempt is made to enforce the lesson impressed by the conduct of the son. It is manifest, however, that the real significance of the episode lies in the sordid selfishness of the speculative youth. He must have known his father's position before making his application, and yet he coveted supplies that would usefully supplement his available funds, and that might as well be appropriated since they were to be had for the asking. Surely this is indicative of a very real and startling danger ahead. There may be dozens of young men thus ready to indulge in moral levity, without receiving a

hint of remonstrance from a good-natured or a parsimonious father or guardian. This is not the class to which thought of repayment will ever occur, and it is just the class—and probably it is not a small one—that will freely avail itself of Mr. Carnegie's munificence. The perilous encouragement given by the terms of the benefaction to the flaccid selfishness of many stolid men and the incipient luxuriousness of their ambitious sons is a stimulus to avarice, which Dr. Johnson fitly calls "the last corruption of degenerate man." Surely no philanthropist will contemplate with indifference the small beginnings that portend such possibilities of disaster and shame.

But even if a perfectly ingenuous youth of sixteen is encouraged by Mr. Carnegie to go to college, and with a light heart enrolls himself a *civis universitatis*, without troubling about anything beyond the curriculum to which his bargain binds him, is it clear that such tentative and haphazard tactics are quite defensible? Should an academic training be indispensable to what Mr. Carnegie calls "the deserving and qualified youth" of the country? This opens up a large and very serious question. When a boy has reached the age of sixteen he should be making definite preparation for the work that is to engage him throughout his active years. In the case of the aristocracy and the upper middle class a college course is the natural thing after school life is over, but matters are different with those whom Mr. Carnegie proposes to advance. When a lad, however "deserving and qualified" he may be, needs eight or ten pounds a year to help him to pay for his education, there should be only the very best reasons why that education should not be discontinued. The student should be not only "deserving and qualified," but one displaying singular potency and altogether exceptional promise. To encourage laborious mediocrity is unnecessary and can only be productive of disappointment and economical disorder. If one were to find a marvellous herd-boy, like John Brown, who ultimately produced the *Self-Interpreting Bible*, or like Alexander Murray, who became a linguist of European fame, then encouragement and perhaps help (if absolutely unconditional) would be appropriate and even advisable. Probably boys of this kind would not always be able to face the miscellaneous test of the preliminary examinations, but it would be a distinction for those concerned to see them through, as it would be a surprise and a pleasure to follow their subsequent career. But it is imprudent to rest a decision as to a youth's future entirely on his ability to satisfy his examiners in elementary knowledge. The son of a peasant may stand such a test infinitely better than the son of a

peer, yet be entirely destitute of the powers necessary for success in one of the professions. A good memory and quick apprehension are common as blackberries among the children of the poor, and these are the qualities most useful in satisfying examiners. Forces, however, of a quite different character are indispensable in the battle of life, and it is possible to spend many years on a wrong tack before making this valuable and elementary discovery. Clever boys may be crammed for examinations—and every schoolmaster knows how constantly the thing is done—but it is not always the clever boys that make the distinguished men. Principal Tulloch, of St. Andrews, once summarily dismissed a class of divinity students, and vehemently urged them to go straight to the plough and never once think of looking back. This was a characteristically impetuous outburst of a lofty and sensitive spirit, recoiling baffled and weary from a hopeless task. Yet some of the men thus suddenly doomed were, no doubt, university graduates, and all had satisfied examiners at the different stages of their progress. At length, however, they learned from a distinguished expert the depressing truth, that they completely lacked the qualities necessary for the profession which they had chosen to enter. It is melancholy to think of the university graduates that are constantly being submerged—struggling for humble commercial posts, joining the South African police, working on an American cattle-ranch—and the misery and pathos of the situation are intensified when the prospect is thus suddenly blurred by the wildly extravagant scheme of Mr. Carnegie. The son of a peer may go through college and be none the worse for the experience, but the son of the humble citizen in taking the same course is made or marred for life. He either succeeds as a professional man or he does not, and the chances against his success are so great as to be practically prohibitive. Should he fail, what is to become of him? He cannot dig, to beg he is ashamed, and he incontinently sinks into the grand army of loafers. It is distressing to have to say it, but such seems to be not only the possible but the inevitable fate of hundreds who are now starting, with Youth on the prow and Pleasure at the helm, in the wake of Mr. Carnegie's decorated barge. This gigantic and amorphous experiment may serve to reveal an occasional man of genius or a rare and subtle scholar, but it threatens to deprive of a career young men specially fitted for successful farmers, tradesmen, and shopkeepers.

Thus it would appear that Mr. Carnegie places on the shoulders of the youth whom he induces to follow him a burden such as

neither they nor their fathers have ever been asked to bear, and such as it is unjust and cruel to impose. It is further manifest that he is on the wrong tack in selecting his beneficiaries, and that he proposes to regulate the development of the coming race in Scotland by the application of a wretched and futile mechanical test. His aim, perhaps, is to bridge the gulf that separates what a class of philanthropists invidiously and erroneously calls the classes and the masses. If, however, this is the case, the sooner he realises the folly and the dangerous possibilities of his project the better it will be for his own reputation as a sane and practical reformer, and for the future of Scotland, regarding which he professes to be so deeply concerned. He should remember that it was one of the greatest of all Scotsmen who said with perfect truth, and not necessarily in a captious or envious spirit, that many enter college stirks and come out asses. It should be a pregnant experience for the wayward theorist to contemplate, as he ought to do now, the extreme probability there is of his adding enormously to the asinine section of his countrymen. On all grounds, it should be quite clear that if Mr. Carnegie is accepted as a prophet and a scholastic reformer, the consequences may be more serious than a Scottish patriot may care to contemplate. The position is heavy with dreary omen, as was that of Hannibal when his brother's grisly head was rolled into his camp, and he exclaimed that the doom of Carthage was pronounced in the incident. Mr. Carnegie is the indefatigable propagandist whose devices will presently render the streets and by-ways loathsome with portentous heads. Meanwhile, the reports issued by his committee indicate that many hundreds have availed themselves of his generosity, and thus practically subscribed to his theoretical wisdom. Now, as of old, there are eager enthusiasts who are easily captivated with the glamour of some new thing. It always takes a time for the multitude to discover that the mighty tree under which they expect shelter and comfort is but a reed shaken with the wind. Before such discovery is made in this case we may find Scotland beginning to suffer from the natural consequences of Mr. Carnegie's whimsical vagaries, and infested with gangs of unpractical scientists, theologians sadly down at heel, and spasmodic men of letters that are no better than dumb dogs.

## A FEW OBSERVATIONS ON MODERN TRAGEDY

THE average reader will always tell the librarian of his circulating library that he wishes a book with a happy ending : he will, in extreme cases, even return every volume which cannot be recommended as " coming right in the end," with the emphatic remark that he never reads unhappy books. The fact is that he likes, and quite rightly, to read a description of what life should be, rather than of what it really is—he resents the more truthful picture.

But literature worthy of the name cannot be made to order ; and the best writers are no more affected by the protests of thousands of average readers than the incoming tide might be. The author who deliberately caters for his audience must be content to be classed as a tradesman only, and must renounce the title of author without a murmur.

It is a curious fact that in spite of the demand for cheerful books, the bias of literature is towards tragedy. This can be easily accounted for : books—again let me add worthy of the name—are written by men who think, and to thoughtful men life must always seem very sad, hence the sad books.

By a sort of apostolic succession the literature of Tragedy, which began long ago with the first story-tellers, has descended to our own times, changing in form from generation to generation, yet keeping its distinctive note unmistakably through every phase of treatment. For the great tragic subjects cannot alter—man's fate, man's struggles, man's doom ; these, the very roots of tragedy, can suffer no change.

But true as this is, it is curious to notice how differently the old subjects are handled by each generation. I say generation instead of writer, because the writer is only the utterer of the thought of his times ; he is formed by it, and gives synthetic expression to the conclusions of thousands of other men who have thoughts but no words. Now from time to time curious waves of change pass over the thought of men. There, to the

careless onlooker, seem to be sudden changes ; but they have really been brought about very gradually, and are the result of long processes of reasoning and comparison carried on not by one mind but by many. After one of these thought-waves has washed over a generation, it will be found to be viewing the identical problems which exercised the preceding generation from an entirely new standpoint. The problems of life which form the subject of all tragedies cannot, as I have said, alter ; but our way of viewing them may suffer extraordinary changes. I wish, if possible, to show some of the varieties in our modern view of tragedy.

And, first of all, what is tragedy ?

It is (says the dictionary) *a species of drama, in which the action and language are elevated and the catastrophe sad.* But for the purpose of this article it may be very simply defined as a presentation, whether in the form of drama or novel, of the dark, unexplainable side of human things.

Every son of Adam has, at one time or another, had reason to question the cause or the meaning of his own sorrows ; but before the tragic sense which produces a great tragic writer can arise, this questioning spirit must be turned away from a man's individual miseries and focused on the woes of the world. For to attain to the first rank of tragic writers it is not enough that a man should suffer and then reproduce in literature his own torments ; but it is absolutely necessary that he should have so entered into the sorrows of the race as to be able to create types of each grief which he writes about. You will quickly see that no one individual experience can ever be universal enough to include the griefs of the whole world, yet that insight may supply the lacking knowledge. This insight for grief not his own is the very hall-mark of tragic writing—it is the tragic sense, and is the possession only of the best writers. Shakespeare, for instance, has so much of the tragic insight that he can write as convincingly of Lady Macbeth's remorse as if he had himself committed murder and shuddered over his guilt.

The possession of this tragic sense, then, opens the eyes of certain men in each generation to see more clearly than their fellows the ~~gracious~~ side of existence, and this clearness of vision leads them to all manner of questionings. It is in the answering of these that ancient and modern tragedy first sharply divide, for the main contention of ancient tragedy was that the ills of life were sent us from the gods, while the great object of our modern writers is to show that these evils are the inevitable outcome of natural laws, and that thus we are very often the authors of our own miseries. An example of

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the old and new methods will perhaps make this point more clear.

As a typical instance of the ancient tragic method, let us take the world-known tragedy of *Oedipus*. It is, as all men know, the story of a cursed race. A curse rested on this house ; it was prophesied that Oedipus was to kill his father, and though, to falsify the prediction, the boy is separated from his parents and grows up a stranger to them, he cannot escape his fate. So he meets his father all unawares, fights with him, and kills him. Then, farther to fulfil his dark destiny, Oedipus returns to his kingdom, meets his mother, Jocasta, without knowing who she is, marries her, and becomes the father of her children. Then the curse is fulfilled, but it descends with the same relentless force upon the innocent children of the unnatural marriage ; their tragic lives and deaths are chronicled in the other plays of the series.

Now, what is the meaning of all this ghastly story ? It is to tell the great riddle of the universe in dramatic form : the undeniable, horrible fact that a curse—a fate—a destiny—what you will, rests on men ; that a tremendous Power, not themselves, is always either warring against them or working for them. And what, according to Sophocles, is Destiny—this moulder of men's lives ? It is the will of God—or rather, in the speech of these times, of the gods.

Behind this mystery he cannot penetrate ; why the gods turn men to destruction he does not know, unless it be "for guilt of old." There is a note of uncertainty, even in this explanation, when Oedipus speaks of

Sad calamities

Which I, poor wretch, against my will endured,  
For thus it pleased the gods, incensed, *perhaps*,  
Against my father's house for guilt of old.

It seems almost, as Dronke points out, that Sophocles wished only to exhibit this profound mystery of divine over-ruling in the affairs of men without making any attempt to explain it. Darkness is all around man's path, by his showing :

Ah, race of mortal men,  
How as a thing of naught  
I count ye, though ye live !  
For who is there of men  
That more of blessing knows,  
Than just a little while  
To seem to prosper well  
And having seemed to fall ?  
With thee as pattern given,  
Thy destiny, even thine, ill-fated Oedipus,  
I count naught human blest.

Œdipus is to Sophocles typic of the human race :

Search where thou wilt, thou ne'er shalt find a man  
With strength to 'scape when God shall lead him on

he says, and the whole meaning of the tragedy is to be found in these words. The puzzle is, to discover why God leads man as He does into darkness and not into light. If you wish to illustrate anything, you will always do so more forcibly by taking an extreme instance for your illustration ; and Sophocles acted on this principle when he chose the story of Œdipus as an illustration of the terrible workings of that power which we name Destiny.

By a series of all but impossible contingencies the characters of the play are brought into the desired situation, than which nothing more ghastly could be imagined. This is the method uniformly followed in ancient Tragedy. The old plays are full of these violent, frightful situations, undreamed of by modern writers. No weak concession is made here to the happy ending preference of readers, for when in the hands of master writers readers must learn to take what is given them. With that inspiration for the truth of Art, which we seem almost to have lost just now, the older tragic writers recognised that genuine tragedy must begin as it is to end, and end as it had begun. The modern trick of trying to let a ray of light in upon the scene at the end was unknown with them. Their plots are ghastly beyond description—a cataclysm of horrors gathered round the doomed man who is to illustrate the dark ways of Fate—he is made to marry his own mother, eat his own children, or some such horrible impossibility. But to create these situations it is necessary that the writer should make a personality of Destiny ; that he should, as it were, see this power deliberately moving the pawns on the chess-board of life at its will. This is what the old writers wrote to prove ; and it is exactly what the modern mind hesitates to admit. For two quite impersonal powers are now supposed to be the arbiters of our poor fortunes—these are circumstance and heredity. With these impersonal powers there can be *no possibility of intervention*, and this conviction has robbed many of our modern tragedies of much dramatic flavour. In the older drama there was always at least the possibility that Destiny might be appeased—that man might struggle and supplicate, perhaps even wring from this Power that moved the world some mitigation of his agonies. But to pray to circumstance would indeed be futile, and to entreat the great Ghost Heredity vainer still—so the modern drama looks for no surprises. We are, in fact, becoming too

great slaves to probability, with a corresponding loss on the dramatic side.

As a perhaps rather glaring instance of modern tragic methods which are directly opposed to the ancient tradition, Ibsen's *Ghosts* may be selected. Here is the plot :

Oswald, the hero, comes home in bad health to his mother, Mrs. Aveling's house. In the first act the reader has been told that Oswald's father had led a dissipated life, but Mrs. Aveling has always concealed this fact from her son. The boy returns to tell his mother the terrible verdict of a doctor who attended him when he was ill—his constitution is hereditarily tainted and he will go from bad to worse. He has decided that should his former symptoms return he must end his life, and he explains this to his mother in a scene of horrible power.

O. You must come to the rescue, mother.

Mrs. A. I ?

O. Who is nearer to it than you ?

Mrs. A. I, your mother ?

O. For that very reason.

Mrs. A. I, who gave you life ?

O. *I never asked you for life. And what sort of a life have you given me ? I won't have it ; you shall take it back.*

The poor mother is in despair—she sees the truth of his words, yet shrinks from the act which he urges. The play ends at the moment when Mrs. Aveling has to make her decision. Oswald is, as the doctors prophesied, stricken at last. His wits gone, he sits stupidly in his chair begging for "the sun, the sun." The reader is left in doubt as to whether Mrs. Aveling does or does not kill her afflicted child. Well, here is tragedy indeed, of the most piercing quality ; but you will notice the extremely modern note which is struck throughout. This is no tragedy of God's making : it is the work of man. The whole mechanism of the tragedy is dissected before us : "This is how misery is manufactured," Ibsen seems to say, and with professional calm he exhibits the process to us. There is no veiled figure of Destiny in the background here, no pressure of circumstance ; the whole situation is quite easily and plainly accounted for by the gross selfishness of the parents who thought only of themselves and forgot the child who might have to bear the burden of inherited disease. What in olden time would have been attributed to the gods is now entirely attributed to man. *Æschylus* in the *Agamemnon* asks :

What with mortal man  
Is wrought apart from Zeus,  
~~What of this is not by Zeus done ?~~

And Ibsen would boldly answer, "Much of it." He has little patience for the man who would (so to speak) make God responsible for his sins.

Ibsen is, in fact, more of a moralist than an artist. Certain ideas possess him like a mania—the inevitableness of character, man's incapacity to escape from himself, and the huge burdens laid upon the innocent by the guilty. These ideas have not only taken possession of Ibsen but of our whole generation, and too much brooding over them has produced another very marked development among our writers, *i.e.*, the over-estimation of heredity as a factor in tragedy.

"Here," they say, "we have at last discovered the very roots of tragedy." And this discovery has done a great deal to ruin their art. In their eagerness for truth they have sacrificed truth itself and art along with it. For, as Huxley said, "in ultimate analysis everything is incomprehensible": you may, that is to say, be the cause of your child's temperament, but what caused your own, and that of your father and his father, and so on *ad infinitum*? Thus one can force the inquiry back and back till it ends always in the utter incomprehensibility of first causes. Character, in short, is something quite beyond explanation; except in a very limited sense its real mystery is unassailable.

By trying to do away with this mystery and "explain" everything, modern tragic writers have degraded their art more than they have any idea of. This failure of the modern method may be illustrated very fairly by trying to apply it to any of the Shakespearean tragedies. Thus, try to trace the madness of Lear to natural causes; analyse the unnatural natures of his two eldest daughters, trace it to a species of "alienism" inherited perhaps from Lear himself, whose mental condition must always have been unsound or it would not have broken down even under all the weight of his troubles. Conjecture how Cordelia came by her more normal mental equipment; trace it to a sounder physique, or show how she inherited it from a normal mother, or speculate as to whether she was a reversion to some far-off ancestor: *account*, in fact, for the whole tissue and being of the great tragedy, and where is it? It has disappeared altogether, and only a laughable travesty of the alienist's note-book remains.

The same process may be applied to any of Shakespeare's plays with the same dire result. Trick out the sublime ardours of *Antony and Cleopatra* in modern dress, and you have only a study of the erotic temperament in woman, together with an analysis of the frailty of man, more or less disgusting. The whole spectacular splendour of life is destroyed by these analytical

methods ; just as (to use a hackneyed but good metaphor) you destroy the beauty of a flower by picking it to pieces. It is true that the botanist knows more about the flower after this process of destruction ; but for purposes of beauty we all prefer our rose entire. A great play, or novel, should not be a contribution to science but to art, and in forgetting this truth how many have erred ! But unfortunately the scientific spirit is creeping more and more into our literature—it is so much in the air just now that apparently writers have to inhale it like the influenza microbe. Everything must be analysed—the ingredients of character like the components of our food—accounted for, explained, either by heredity or circumstance.

The tragedy of Circumstance has its ablest exponent in Mr. Thomas Hardy. Unlike Novalis, who held that character was Fate, Mr. Hardy seems to maintain that circumstance is Fate. This is the answer he gives to the old agonised questions—the same questions that tormented Sophocles and Æschylus, and will torment all thinking men till the world ends.

*Tess of the D'Urbervilles* and *Jude the Obscure* are both studies in Destiny—tremendous arraignments of the “well judged Plan of Things and their ill-judged execution.” Every one knows the story of Tess. She is the sport of circumstance from her cradle to the gallows on which she ends her life ; time and again the moment comes for some unseen intervention—and nothing intervenes ; at each crisis of her story circumstance hounds her forward to destruction. When she is betrayed by D'Urberville there is no eye to pity, no hand to save : “Where was Tess's guardian angel ?” our author asks, “Where was Providence ?” Perhaps, like that other god of whom the ironical Tishbite spoke, he was talking, or he was pursuing, or he was on a journey, or peradventure he was sleeping and was not to be awaked.” And again he defines his view of things : “Nature does not often say ‘see !’ to her poor creature at a time when seeing can lead to happy doing ; or reply ‘here !’ to a body's cry of ‘where ?’ till the hide and seek has become an irksome outworn game. We may wonder whether at the acme and summit of the human progress these anachronisms will become corrected by a finer intuition, a closer interaction of the social machinery than that which now jolts us round and along ; but such completeness is not to be prophesied or conceived as possible.” We are in short, says Mr. Hardy, caught, all of us, in the wheels of the clumsy machine of circumstance, to be “jolted around and along” at its unintelligent will. This seems to be the peculiar problem which Mr. Hardy has set himself to solve, or rather to illustrate : that thinking, reasoning

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creatures should be made the sport of unreasoning laws. He has worked out one aspect of the problem in *Jude the Obscure*.

Jude is a man of bright intelligence and keen sensibilities. Born a working man he has all the ambitions of a scholar, but this is not where the tragedy comes in. Poor Jude is the pre-destined fool of his passions as well as of his circumstances. He marries, miserably, the first woman who attracts him, and the story of their degraded intercourse is meant to typify the whole tragedy of sex. He meets, too late, his true love, Sue Bridehead, and there follow on this all the matrimonial confusions which have made the book a by-word. Jude and Arabella, and Sue and Sue's husband, become almost laughably mixed up in the plot till it emerges again into unmistakable tragedy at the close. The author has never lost sight of the end, though the reader may have done so, and he has been working up to the climax like all good writers. Jude has been divorced from Arabella and married to Sue by this time, and they have two children ; they have also living with them Jude's child by his former marriage with Arabella :

The boy's face expressed the whole tale of his situation. On that little shape had converged all the inauspiciousness and shadow which had darkened the first union of Jude, and all the accidents, mistakes, fears, and errors of the last. He was their nodal point, their focus, their expression in a single term. For the rashness of these parents he had groaned ; for their ill-assortment he had quaked ; for their misfortune he had died.

Oppressed by the thought that "there are too many of us," the boy hangs himself and the other two children, and thus rounds off, as it were, the misfortune of his existence. But Jude's miseries have still to culminate. Sue leaves him, in a fit of frantic repentance, after the death of her children, and he is once more ensnared by the gross Arabella. Stupid with grief and fuddled with drink he returns to her, and at the same time renounces the will to live. He is dead before death, crushed by the pressure of laws which he cannot understand or fight against—great primal laws which urged him on and then left him to destruction. When at last the curtain falls on Jude as he lies stark under the sheet, "straight as an arrow, the thumping that had gone on in his breast for nigh thirty years stopped at last," we feel tragedy could not go much farther. The book gives expression to the despairing thought of a whole doubting generation which hesitates to name life a boon. The accuser stands forth and challenges, with no uncertain voice, who dares and can to answer his charges. Look, he seems to say, at this man, this creature of a few unhappy years—with his aspirations of the God and his instincts of the beast ! If an

Individual Power made this ill-contrived toy, such a Power must be either foolish or merciless; if impersonal Forces alone were at work, how shall we regard the process?—as an ugly joke to be laughed at with a wry face, or a calamity to be faced as best we may and endured only as long as we will?

It is not difficult to make out which of these views Mr. Hardy inclines to, and his influence may be traced through the great mass of modern tragical fiction—man the sport of circumstance, the fool of his own nature. These themes are worked out with every possible variation by hundreds of minor writers, who have the mistaken idea that by handling a big problem they write a big book. They would do well to content themselves with smaller questions and leave Mr. Hardy to grapple alone with these weighty matters. These tragedies of circumstance are peculiarly depressing to consider, because, as I have pointed out, there is no possibility of intervention between a man and his fate if there is no deity save Circumstance behind things—if, in fact, circumstance is Fate. As good examples of this view of life, the novels of Mr. George Gissing may be considered. It is impossible to find more deadly depressing books; circumstance, *probable* circumstance, is to him everything. No matter what a man is, he will be overborne by the force of circumstance, and moulded to its shape. It matters more to a man, according to Mr. Gissing, whether he is born rich or poor than whether he is born wise or foolish, good or bad. The gallant old tales of man, the conqueror, wresting from a life the most inauspicious, all the gifts of fortune—these traditions of a credulous age are swept away like cobwebs by Mr. Gissing. Life and circumstance are here the conquerors of man, who lies passive under their blown. What is to become of us if we adopt this view of life? Surely a larger, saner outlook is possible, and we may see that a power greater than itself is behind circumstance.

All the different tragedies—ancient and modern alike—which we have considered have involved a problem; but there is another form of tragedy, and that the highest, which involves no question, but is content simply to express the darkest side of human affairs. This is the Shakespearean method. The agonised questioning of man's destiny, so characteristic of ancient tragedy, is absent here; God is not, so to speak, called to account for the sorry happenings of life. Neither is circumstance omnipotent, nor heredity, after the modern tradition. But the characters, without any intervention of the author, or any explanations of any kind, explain themselves and their situation. The result of this simplicity of method

consummate, matchless tragic note never struck before or since by any other writer. An illusion of reality is produced by it which can never be attained to by our modern scientific methods which research into character for generations back, and show each man the product of his conditions.

By none of these methods, but by the exercise of a tragic sense the most perfect possible, Shakespeare produced his incomparable tragedies. Certain of his scenes stab one to the heart exactly as the sight or hearing of such a scene in real life would do ; and this because, rejecting the ancient tragic tradition which depended for its effectiveness upon situation alone, Shakespeare's tragic sense unerringly recognised that the passions of humanity were the beginning and end of the tragedies of the world :

In tragic life God wot  
No villain need be—  
Passions spin the plot,

as George Meredith puts it. That is to say, a life may be one long tragedy, and yet have no tragic "situations" in the ancient sense. It is true that Shakespeare's tragedies always have a tragic plot, but you will notice that *the plot is not, as in ancient tragedy, the meaning of the play* ; it is quite subordinate to the characters. Shakespeare does not wish to tell a tragic story—he wishes to describe men and women at a crisis of emotion. Here the old and new join hands instead of parting company. Nothing is more congenial to the modern tragic writer than the description of tragedies of Character. The fear is that nowadays this vein will be overworked ; Shakespeare chose the great passions of the human heart for his character studies—remorse, cruelty, ambition, love, or hate ; but some of our modern writers find the minor passions quite worthy of study. In this kind are the tender little tragedies of Jane Barlow and Mary Wilkins—chronicles of tiny griefs, petty sorrows, pitiful little disappointments, calamities of mice. These tales seem to exhibit the morbid sensitiveness of the modern mind, which makes so much out of little—sees tragedy everywhere.

The tragic sense, in fact, seems to be wearing thin with the lapse of the centuries, and there is a want of the old robustness of view among us. Like a river lost among sands, the stream of tragic literature is being broken up into thousands of rivulets and is losing the force of a current. Instead of one or two great writers who can, by giving their opinions, really contribute to public thought, we have crowds of minor authors whose opinions are of no weight, all confusing public thought by their strife of words. Each has his own tragic vein—

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the tragedy of want, or of intemperance, or disease, or lunacy, their numbers are endless ; great subjects, all of them, if greatly handled, but that is seldom done. The tragedies of drunkenness alone would stock a library ; but where is the epic among them all ? It is seldom that one opens a modern novel without coming across some painful description of mania in its many forms ; yet, again, where is the epic among them ? One cannot help wondering why this should be the case ; why, when a whole generation of writers is evidently keenly alive to the tragic side of life, there should yet be no great tragic writers among them—saving always Mr. Thomas Hardy.

Is there enough of *acknowledged mystery* in our modern work ? Enough of the great, vague, infinite background which you find both in ancient and in Shakespearean tragedy—a background of the unexplained, the unknowable—the never-to-be-explained or known on this side the grave ?

JANE H. FINDLATER.

## THE PROBLEM OF THE VILLAGE SUNDAY

For his good people's lawful recreation, his Majesty's pleasure was, that, after the end of Divine Service, his good people were not to be disturbed, letted, or discouraged from any lawful recreation, such as dancing, either men or women; archery for men, leaping, vaulting, or any other such harmless recreation; nor from having of May-games, Whitsun-ales, morice-dances, and the setting up of May-poles, or other sports, therewith used, so that the same be had in convenient time without neglect or impediment of Divine Service. . . . And the present recreations are forbidden to any who, although conform in religion, are not present in the church at the service of God before going to the said recreations.

THUS commences that famous Book of Sports which tradition, or something stronger than tradition, says was suggested to King James I., when, during his journey through England on his return from Scotland in 1618, he noted how listless and unhappy the country folk seemed on Sundays.

James I. was neither a great king nor a good man, but at any rate the Book of Sports will always remain a monument to his broad-mindedness and tolerance at a time when broad-mindedness and tolerance were not conspicuous virtues. Puritanism, however, was too strong for the Book of Sports; it became praiseworthy to refuse to read it aloud in church according to ordinance, with the reign of the "saints" its observance ceased, and at the present day a strongly lingering flicker of the flame of Puritan prejudice in which it was consumed exists in the shape of that rigid Sabbatarianism which would forbid any indulgence in recreation, however harmless, on Sunday.

We propose to confine our observations entirely to the country because it is only in the country that the Puritanism lingering within us ordains that Sunday in general and Sunday afternoon in particular, should be to a large and important section of the population a period of intolerable dulness and idleness. The Londoner, indeed the inhabitant of every large city and town, possesses a hundred sources of recreation which do not exist for the countryman. If he has not the faculty of ~~desiring~~ for

himself—a faculty fostered by the brisk, active life he leads—he is amply catered for by others, if it be simply by the very presence of their numbers; but the villager of to-day, although rarely the absolute clod of the stage and the novel, neither possesses the faculty of catering for himself, nor has any one to cater for him. The results are familiar to everybody who knows what an English village is during the long hours between the Sunday dinner and the evening opening of the public house.

In the writer's neighbourhood in East Kent, the question has been seriously mooted during the past few years, of encouraging Sunday afternoon cricket. Now, be it understood, the suggestion has not come from the villagers themselves, but from people of social standing who have been impressed by the possibility of converting what are now the saddest and most mischievous hours of the week into the brightest and happiest. Cricket has been named as the particular pastime in this particular neighbourhood for a variety of reasons. Our county claims to be, if not the cradle, at any rate the nursery of cricket. Our village cricket is of the purest and wholesomest type. We all understand, if we do not all play, the grand old game. Our local patriotism is a very mustard among qualities. We play the game absolutely for its own sake and without any care for individual averages and £ s. d. In one of our villages until well into the nineteenth century, the parson himself opened the cricket season on Easter Sunday after morning service by bowling the first ball. Some say that he did so in full canonicals, but we may reject this as an embellishment of later years.

The suggestion has never assumed practical shape for various reasons, of which the chief are: (1) The fear that by the public encouragement of a game like cricket on Sunday afternoons, the thin end of the wedge would be driven in of the introduction of that good old crusted bugbear the Continental Sunday; (2) the objection that if cricket be allowed all other games and sports should be allowed also; (3) that the English Sunday would soon lose its proud, distinguishing characteristic of being essentially a day of rest.

Many other objections would seem to be inspired by that narrow-minded feeling which Macaulay describes as influencing the Puritans, who condemned bull-baiting not so much because it gave pain to the bulls, but because it gave pleasure to the spectators; but the above-named three are alone worthy of being dealt with, and with them the writer proposes to deal ~~at present~~.

The majority of those who hold up their hands in religious horror at the prospect of getting the Continental Sunday established

England, are either people who know nothing about the Continental Sunday, or those who are so saturated with inherited prejudice that they cling to the text that man was made for the Sabbath and not the Sabbath for man. There are many of us, by no means yet in the sere, the yellow leaf of life, who can only recall our childish Sundays with horror. The stern parent reigned in those days—the father who at the age of forty deemed it imperative—or rather, had been brought up to believe it imperative—to cast away for ever all links with youthfulness, and who would no more have dreamed of bowling to his son or of rowing in the same boat with him, than he would of singing a comic song or of wearing free and easy costume. He saw but one side of the Continental Sunday—the side which meant the keeping open of shops and theatres, of imposing extra labour, and of unbridled licence in recreation ; and his view is to-day shared by a strangely large number of otherwise broad-minded and sensible men.

But let any unbiased man recall the Continental Sundays of his experience, and the prevalent characteristic of them will be an universal and harmless dedication of one day out of seven to happiness, enjoyment and rest. It may not be the rest inculcated by the English Puritan or stern parent, which means simply doing nothing at all in clothes too valuable to be comfortable, or, at the furthest, the study of dreary literature, or the performance of dreary walks ; but it is the truest and wholesomest form of rest, inasmuch as it means to peoples who work far more assiduously and for longer hours than do we, an entire change of life. There is no reason to suppose that the average Frenchman or Italian or Spaniard is a worse husband or father or citizen than the average Englishman because he regards Sunday as a real Sun-day, and not as a period of sackcloth and ashes. Our Continental Sunday dreaders are fond of sneering at the benighted foreigner whose women perform all his religious duties for him ; but statistics of English church-going would possibly form an eloquent illustration of a well-known proverb anent the throwing of stones by dwellers in glass houses. One thing we who have travelled can tell those who have not travelled or who have travelled with their eyes shut, and this is that throughout what may be called the Continental Sunday world no such scenes are to be witnessed as are of regular occurrence on Sunday nights along all the great roads around our Pharisical and Sabbath respecting London. We are prone to prate proudly about the sanctity and beauty of our English home life, and no doubt on week-days there is some sanctity and beauty about it. But when

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we come to Sunday and think of the brake-loads of husbands and fathers who on pleasure bent swarm along our highways, passing no public-houses, filling the air with their hideous songs, their women folk left behind in the holy and beautiful homes, and contrast it with the essentially family character of the Continental Sunday as exemplified in the pleasant scenes to be witnessed wherever trees and grass are green and river banks invite rest and refreshment, we do not feel quite so sure about the soundness of our grounds for crowing.

So it strikes us that if we could stoop a little and take what our American cousins call a few "pointers" from the Continental Sunday, make our Sunday more of a period of recreation, allow the pent up and repressed spirits and energies of a naturally spirited and energetic people full play, or at any rate fuller play, on the very day when they are most pent up and repressed; were our country lads and boys allowed more liberally to help each other in the work of passing time by engaging in hearty, honest sport, instead of being driven to invent expedients for killing time, there would be less mischief and blackguardism perpetrated on Sundays than there is.

Blackguardism is a strong word, and in the ears of the town-dwelling Sabbatarian rings of exaggeration, if not of worse. But we who live in English Arcady know only too well how much blackguardism is hatched and executed on Sunday afternoons by a class of fellow countrymen who have so much that is sterling in their composition that one almost weeps to think that they are driven to be what many of them are by a spirit of Puritanism, which is a ridiculous anachronism. We have no hesitation in saying that if the country Sunday were made a little more tolerable to these poor fellows, who, through no fault of theirs, are resourceless, not only would many a good man be prevented from going wrong, but to some degree the emptying of the country into the towns would be checked; for greed of gain and a desire for betterment are really, strange as it sounds, weaker incentives to the young villager to get away to towns, than a yearning for a livelier existence.

The second objection is, that if cricket be allowed, so must all other games, and, consequently, sports. We do not admit the natural sequence; but if we did, what then?

So long as they are games and sports in the literal sense of the words, let them be pursued on Sunday afternoons. We have still sufficient faith in the average Englishman's sense of decency and the fitness of things, even in these days when sport and shekels range constantly hand in hand, to be sure that common

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opinion would soon crush any attempt to turn village greens into gambling arenas, to create a new field of labour, or in any way to bring Mammon into competition with Hygeia, by the introduction of such sports as horse-racing, or coursing, or trapped bird shooting, which are inseparable from the exchange of currency either in the form of betting or of paying for labour.

It appears to us that the real want of the average village lad of to-day is some object for the exertion of skill and muscle, an escape valve for his energies, a recreational employment of leisure hours, and not food for *auri sacra fames*, and we cannot admit that the attainment of this object will develop into a wholesale desecration of the Sabbath. We are asked to translate "day of rest" as "day of enforced idleness" by the Sabbatarians; but assuredly in this age of rational, not literal reading, we should rather accept "day of recreation" as the true meaning. Of one thing we may be quite sure, that, if only for one great reason, the young countryman if not catered for, will cater for himself, and possibly in a really un-Sabbathaical way.

This great reason is the example of his social superiors. It is absurd to suppose that what the Precisions, or Puritans, or Sabbatarians, or whatever they may be called, describe as desecration of Sunday, and what we would rather call wholesome Sunday recreation, can stop with the classes and spread no lower. The veriest country clod, when he notes how the motor cars of the wealthy thunder along his village street, when he knows that tennis, croquet and bowls are played at the Hall, when he sees that the neighbouring golf-links are more crowded upon Sunday than upon any other day, when he sees the river alive with pleasure-parties, must sometimes ask why he is debarred from indulging in his humble games upon his one leisure day of the seven, and he will continue to ask the question so long as no straight, honest, satisfactory answer is given him. The position strikes him as one-sided and unfair; and he is right, for it is one-sided and unfair. Why, the very parson who would judge him severely if he and half a dozen companions were to dare to pitch their wicket or fix their goal-posts on the village green on a Sunday afternoon sees no wrong in taking tea at a house where tennis and croquet have been in full swing since lunch. Our villager would much rather play cricket or football than do as he is obliged to—eat his extra Sunday dinner, fill his pipe, sprawl in a ditch, or aimlessly wander about the fields, or spit over a bridge, all the while talking rubbish or worse until the public house opens, when he repairs thereto and there remains until closing time—with the too common result with which we are all familiar who

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have seen a village inn disgorge its company on a Sunday evening.

In dealing with the village lad we must never lose sight of the fact that he is not resourceful, and that he has none of that independence of will which marks the townsman ; at the same time we must not forget that he is no longer the traditional clod of pre-education days. He is not yet ambitious ; he must be guided and have his footsteps marked for him, as every one knows who has had anything to do with the organisation of village clubs and societies ; but he no longer accepts the governing text of his rude forefathers :

God bless the Squire and all his rich relations,  
And keep us poor folk in our proper stations.

That excellent class of people from whom the ranks of severe Sabbatarians are so largely recruited, and of which the text words are "mental and moral improvement," would have the village lad take nice walks on a Sunday amongst the marvels and beauties of the natural world of his birth and breeding ; or, if something must be done for him owing to disinclination to or incapacity for doing for himself, would have him provided with nice books or attend nice improving classes. But, like all people of their mould, they have no capacity for making allowances. They do not realise that the average village lad of between the ages of twelve and seventeen knows and cares as little about the marvels and beauties of nature as do the well-educated young gentlemen at the Vicarage or the Hall, or that the new education system, if it has taught him grander things, has taken away the opportunities for learning something of the world around him which abounded in the days when there was no compulsory school attendance ; so that it is quite a usual thing for a boy who has lived amidst fields and woods all his life to be ignorant not merely of the habits of birds, animals and insects, but of the names of the commonest objects of the roadside and woodland. As for getting him to spend a fine summer afternoon in listening to a mental-improvement lecture, he would regard it as making Sunday a school day, and we should think very little of him as a boy if he did not.

With the utter mistranslation of the phrase "day of rest," we have already briefly dealt ; but more may be said about it. As a general rule, if a man works hard and actively, he rests actively. The rest which bread-winners take during their holidays is merely rest from the particular form of toil by which they win their daily bread, and very rarely rest in the sense of absolute inaction, and it is astonishing to find in these days so many people who insist that Sunday means not merely a day of rest, but a day of

but a temporary suspension of all faculties mental and bodily. The domestic rule which ordains that all toys and play-books should be put away on Sunday, that the most beautiful of secular music should be silenced, that laughing and joking are profane, and that self-denial must be practised even in the matter of wearing apparel, produces the same effects in the nursery that the tabooing of harmless, wholesome Sunday recreation produces in the village. "When I was a child," says Ruskin, in *Fors Clavigera*, "I lost the pleasure of some three-sevenths of my life because of Sunday, and a lurid shade was cast over the whole of Friday and Saturday by the horrible sense that Sunday was coming and inevitable." These are the words of an honest, God-fearing man. Some of us may have felt as little Ruskin did, although when most of us were children more sensible ideas were beginning to prevail ; but there is as little doubt that if nothing is done by the better class people in our country districts to make Sunday a happier day for the local youth they will do it for themselves, and possibly carry out the idea to an extreme, as there is that much of the irreligion amongst Englishmen of the present day is indirectly due to the repressive influences brought to bear upon their parents in their childhood. If society does not condemn Smith, who is toiling hard in chambers or at office during six days of the week, for spending his Sundays on the golf links or the river, why should the village youth, who knows nothing of the townsman's half holiday, be virtually prohibited from indulging in harmless recreation on the one day which he has to himself ? Make it conditional, if you can, that he should attend church or chapel in the morning, but treat him as a reasonable being, not as a child, inspire him with a real affection for Sunday as a day of brightness and relaxation, induce him to look forward to it as something more than the weekly opportunity for wearing best clothes and doing nothing, and a long step will be taken towards bridging over the ugly gulf which has been re-opening of late years between the rural classes and masses.

We were very much struck by the remark of one of our "oldest inhabitants" the other day. It was Good Friday, the most sacred day of the whole Christian year, the one day of all others when a total abstention from sport and recreation might be ordained or at any rate observed. There were athletic sports for pots and money prizes going on in the neighbouring town. There were cricket, football, and our Kentish game of goal-running being played on every village green. A battalion of Volunteers had just marched by headed by a band playing popular airs. Said the ancient :

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"Ter'ble queer thing it do seem, that o' Sundays it be wicked to do what's right enough on Good Friday." We cite this as an instance of the ridiculous inconsistency of the English moral code as regards Sunday observance.

Finally, the question arises, By what authority is the much desired change to be brought about? Almost to a man the country clergy, at any rate of the writer's neighbourhood, are in favour of it, and so are the country gentry. But the Nonconformists are almost as unanimously against it; and amongst the elder villagers, groove-moving men and women who, despite the changes being worked around them, take as a base of their line of action in all matters the axiom that what was good enough for their ancestors is good enough for them, the feeling still prevails that Sunday recreation spells Sunday profanation.

Possibly recourse must be had to Local Option. If at a representative meeting of villagers of all grades and creeds it be decided that it would be to the public benefit that pure and wholesome recreation be permitted on Sundays, let it be so. If the consensus of opinion be the other way, then let matters remain as they are, and the result will probably be, as has already been hinted, that the young men and lads of our villages will take the matter into their own hands, and carry it out in their own way.

Cricket has been selected as the summer pastime, but out of the cricket season there seems to be a grand opportunity offered for the patriotic development of the enormous crude military resources which are at our disposal by the encouragement of the Sunday exercise of Morris tube or miniature range shooting. In the famous days when England depended upon her prowess in archery, Sunday was the recognised day for practice at the butts; and if the same principle were to be put into practice now, an invaluable nursery of shooting men would be formed out of a class of English youth which does comparatively little for the country.

H. F. ABELL.

## AMERICAN AFFAIRS

MR. WILLIAM J. BRYAN, of Nebraska—who, in his longing for martyrdom and crucifixion on a cross of gold, succeeded in twice leading his party to the most disastrous defeat in its history, and incidentally becoming a man of means and substance, and amassing some of that gold which he denounced with such rhetorical fervour when in a moment of hysterical excitement he swept the Democratic National Convention of 1896 off its feet, and by the power of a few neatly turned epigrams became the Presidential nominee of his party—is once more engaged in his favourite occupation of sowing discord in the party ranks and abusing the one man than whom perhaps he hates no one more bitterly—Grover Cleveland.

In a speech delivered by Mr. Bryan a short time ago he emitted a venomous tirade against Mr. Cleveland, declaring that his last administration was “a stench in the nostrils of the people,” and using other expressions equally bitter and out of place. They are out of place because, no matter how men may differ about Mr. Cleveland, the American people, without much regard to party or politics, believe that he is an honest man—a man, no matter what his faults, who is governed by conscience, and who, as President, as well as since he retired to private life, did that which he considered to be right according to his own light and without regard of consequences or the fear of the effect it might have on his personal fortunes. Those Republicans who bitterly fought Mr. Cleveland when he was President, and those Democrats who fought him with even greater bitterness in the mad times of the Bryan era—who were governed solely by prejudice and passion, and who looked upon him as responsible for all their ills—now that there has been time for sober reflection, are prepared to admit that they did the man a great injustice, and that no matter what his faults or the defects of temperament, he was not influenced by unworthy motives. Republicans to-day are no more prepared to accept Mr. Cleveland as their prophet and guide than are those Democrats who followed Mr. Bryan when he was at the height of his power and who have ~~been~~ to

him despite his fallen fortunes ; but both Republicans and Democrats do not relish this virulent denunciation of the man, who has twice been the President of the United States, who is to-day the only living former occupant of the Presidential chair, and who occupies a peculiar place in the respect of the American people. They do not like to hear Mr. Bryan accuse Mr. Cleveland of dishonesty, of having wilfully betrayed his country, of having done things which, if true, should earn for Mr. Cleveland only the abhorrence and detestation of all right-minded people.

It is a great pity that Mr. Bryan is consumed by overweening ambition and envy, and that of no man is he so envious and jealous as of Mr. Cleveland. It is, furthermore, Mr. Bryan's misfortune that, as a writer has recently pointed out, Mr. Bryan is a man of one idea. It was that one idea which enabled him to win the prize for which every politician strives—the Presidential nomination, and it was an idea, no matter its merits or demerits, good enough to be used by a politician at that time. But since then it has been repudiated by the very men who gave it their sanction seven years ago; and Mr. Bryan, being singularly lacking in both ideas and imagination, who is not wise enough to see that times change and so do men, clings to his one idea as if it embodied all the concentrated wisdom of the ages, and as if he, because he originated that idea, had become its consecrated guardian and high priest, and that on him rests the burden of saving it from the profanation of the vulgar. As a matter of historic truth, Mr. Bryan had no more to do with originating the idea of silver than had the half-naked savage in the Philippines. At one time in his life he displayed some cleverness, and that was when he made his fiery speech to the Chicago Convention, and by that speech swept all opposition out of his path. Had he been a really clever man he would have adjusted himself to circumstances, he would have abandoned or at least modified a belief that history and the irresistible logic of circumstances have proved to be false and retained his hold as a leader. But, not being a man of sufficient breadth of vision, he has simply gone on harping on an exploded issue which no longer appeals to any one, and as he has watched his power slipping away from him he has become eaten up by hatred, and vents his spleen on whoever may prove a successful rival. No prominent Democrat who has been mentioned as the Democratic candidate for next year has escaped his coarse and commonplace abuse ; and because Mr. Cleveland at the present time appears to be more seriously considered than any other man, on Mr. Cleveland's head is poured out the blood of his choicest Billingsgate.

There is no more chance of Mr. Bryan being the Democratic candidate than there is, let us say, of Mr. Thomas Gibson Bowles being delegated to form a Ministry should the Conservatives be successful at the next election. In the language of the street, Mr. Bryan is a back number ; or, as our friend Bill Devery would say, "he's a dead 'un." But while Mr. Bryan cannot be nominated he may still retain enough of his maleficent power to exercise an influence in the next Democratic convention and by controlling a sufficient number of votes prevent the nomination of a man whom the majority of the party want and who would be their strongest candidate. English readers should remember that the candidate for the Presidency is nominated at a convention consisting of more than 900 delegates, and that two-thirds are necessary to a choice, consequently while a candidate may command more than a majority, a rival who can succeed in controlling a third of the total strength of the convention can prevent his rival's nomination. I called attention a month or two ago to the probability, fantastic although it may sound, that if the Democrats should nominate Mr. Cleveland nothing would be more probable than that Mr. Bryan would take the stump for Mr. Roosevelt and advocate his election as a "rebuke" to recreant Democrats. This statement in *The National Review* has attracted much attention in the United States, and has been the theme for very considerable newspaper comment. Apparently it had not occurred to the American newspapers that there was the probability of Mr. Bryan assuming the rôle of an "assistant republican," but now they realise that nothing would be more probable, and certainly nothing would be more congenial to the destroyer of the Democratic party. A New York paper says that if it be true that Mr. Bryan will support Mr. Roosevelt in case of the nomination of Mr. Cleveland, then "the Democrats should not hesitate a moment to nominate the Sage of Princeton. He would surely win, for nothing would be more likely to defeat Roosevelt than Bryan's support," which is quite true, and may well cause Mr. Roosevelt to pray to be saved from the Greeks bearing gifts in the person of Mr. Bryan stumping for the Republican ticket. A Pittsburg paper says that when Mr. Bryan was interviewed at Milwaukee on the Cleveland movement he is reported to have said that it is a comedy as it now stands, but a tragedy if it should succeed. Discussing this utterance the paper says that Mr. Bryan's persistent Clevelandphobia "seems really to give a semblance of probability to the amazing suggestion in the current number of *The National Review*." In the event that Mr. Cleveland should be nominated and Bryan should urge

Mr. Roosevelt's election, I should be willing to believe in Mr. Cleveland's election as an almost foregone conclusion.

While the Democrats are drifting about for a candidate, taking up one man after another and then for one reason or another dropping him as being unavailable, veering from Cleveland to Judge Parker of New York; from Ex-Senator Hill to Senator Gorman, the Republican and Independent newspapers amuse themselves in a somewhat dull season politically by mentioning Democratic candidates and extolling their virtues. The latest man to be brought prominently forward is Judge George Gray, of the United States district bench. Judge Gray was a Senator from Delaware for fourteen years, he was one of the commissioners appointed to negotiate the Treaty of Paris with Spain, he was a member of the joint high commission which sat in Quebec in 1898, and in 1900 he was appointed a member of the international commission of arbitration under the terms of the Hague Convention. More recently he filled a large measure of public attention by being the chairman of the commission appointed by President Roosevelt to settle the differences existing between the colliery owners and their miners in the anthracite coal regions of Pennsylvania.

One reason perhaps why the Republican papers would be glad to see Judge Gray nominated is that, as a Republican newspaper of Philadelphia remarks, "Judge Gray, after all, is a Democrat in little more than name. In the great questions of the hour he has usually been found on the Republican side. His career so far has been one of such ability and integrity that in the event of the country wanting a Democrat it could hardly get a better one—that is, one who is less of a Democrat." Some of the Republican papers see in the "Gray boom" the gratitude of the miners for Judge Gray's work as chairman of the coal strike commission. These papers say that Judge Gray showed the keenest sympathy for the miners, and it was largely owing to his commanding personal influence that the commission brought in a report which has been heartily commended by organised labour throughout the country. But this, while in some respects an element of strength, is also an element of weakness. If the Democrats are to be successful they can only succeed by selecting as their candidate a man who is as sound as Roosevelt is declared to be unsafe, who will be fair to labour but will not truckle to it as Roosevelt, according to the capitalist, is said to do. Consequently, if it was believed that Judge Gray owed his nomination to the favour of the miners and labour generally he would be not

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He is stronger than Roosevelt, but, in fact, weaker, and therefore will stand no chance of election.

The greatest problem which the American people are to-day facing is not the growing antagonism between capital and labour or the regulation and proper control of monopoly, although both are serious enough in all conscience to demand all the wisdom of which American statesmen are possessed, but is the future of the negro and the relations which shall exist between blacks and whites, more especially in the Southern States, but only in a lesser degree in all the States of the Union. Instead of the relations becoming better, instead of the friction between whites and blacks disappearing, instead of the whites adjusting themselves to new conditions and looking upon the blacks as useful members of society and capable of becoming a valuable element in the prosperity of the country, instead of the whites trying to elevate the blacks and making of the blacks a force in civilisation, I believe I am correct in saying that the relations between whites and blacks are worse and more bitter than they have ever been, with perhaps the single exception of that period immediately after the close of the civil war, when the South was given over to what is known as "carpet bag government," when the South was treated as a conquered country, and many of its Governors were ignorant and dishonest politicians of the lowest type, who coming from the North "carpet bag" in hand—hence the derisive term of "carpet bag" government—were not in sympathy with the people whom they governed, and cared for as little as they understood their prejudices or their resentments, which were the aftermath of a conflict which desolated the hearthstones of Southern homes and made a shrine of the heart of every Southern woman. In those days the blacks were tasting the first-fruits of freedom, from having been slaves they suddenly found themselves masters, and with them freedom meant licence and revenge for the wrongs under which past generations had suffered. It was an unholy time, it was a saturnalia of riot and corruption. And yet one can understand it, and while condoning nothing in a measure sympathise and make allowances for both sides.

But more than one generation has come and gone since that day. The women who wept and mourned for fathers and sons and brothers and lovers lying stark with upturned faces, whose blood dyed the battle fields of the South, and who died, according to the Southern belief, in upholding a great and glorious principle, who laid down their lives in defence of the right, and who were willing to make any sacrifice rather than to falter with their

concept of duty—these women have suffered their last sorrow, and wept their last tear, and are no longer there to keep alive the memories of a past which were better forgotten. The men who were ruined by the war, the planters who lived in almost feudal state on their broad acres surrounded by their slaves, were suddenly plunged from affluence into poverty, hopelessly ruined, and with no opportunity to retrieve their fortunes. One can understand why these men, heartbroken over the loss of all that went to make life worth the living, mourning not only the loss of fortune but the loss of that which was far dearer, the sons growing up to manhood and the subversion of the entire social system, should have hated the black with a hate so intense that it could never be extinguished. But these men have passed away, and although time has not repaired the ravages of fortune, the present generation must know that the conditions of the past can never be restored, and that wisdom on their part demands that they shall endeavour to adjust themselves to modern conditions and make the best of what exists.

That, however, is what the Southerner does not seem willing to do. He detests the negro fully as much as did his father before him; perhaps one is almost justified in saying that this hatred has increased rather than diminished by the lapse of years. One can find many excuses for the Southerner if one cares to be his apologist. I am not. I am merely stating facts as they exist, and that I am justified in all that I have said is proved by the growing number of lynchings, to the almost incredible barbarity and ferocity of the whites when a negro is put to death at the hands of the mob, and to the further fact that the lynching of blacks, only a few years ago practically unknown in the North or West, is now a matter of frequent occurrence.

The lynching of a negro arouses a certain amount of public condemnation, but only in those localities removed from the place of violence. Thus, the New York, Philadelphia and Boston newspapers never hesitate to deal in the most scathing terms with Judge Lynch and his disreputable court, because lynchings do not take place in those cities; but with rare exceptions the Press of a city in the neighbourhood of mob violence is either silent or justifies the action of the mob; partly, I imagine, because the papers are too cowardly to run counter to public sentiment, and partly because the newspaper, after all, only reflects public sentiment and probably approves of lynching just as thoroughly as do the men who storm the gaol and drag their helpless victims to the place of execution. For instance, here are extracts from two leading Southern newspapers which are worthy of notice:

istic of Southern justification for mob rule. "The truth is," the *Atlanta (Georgia) Journal* says, "lynching in the United States is localised only as the crime provoking it is localised. Wherever there is Anglo-Saxon blood such crimes as that of the negro in Delaware will be followed by lawless vengeance." The *Pilot*, of Norfolk, Virginia, says :

It is idle to talk about pitting popular attachment to an abstract principle against the untamed tiger of the fiercest passions known to the human bosom. The law crumples up like wet pasteboard, and the tiger has its way. We are of the deliberate opinion that lynching will never cease until this crime ceases, and that we may as well make up our minds to take a philosophical view of the matter and endeavour to create a public sentiment that will maintain the supremacy of the law in all other cases.

Justice Brewer, of the Supreme Court of the United States, has endeavoured to arouse the deadened public conscience by the use of some very plain language in a public address which he recently delivered. "In the South," Mr. Justice Brewer said, "the lynching of a negro, who has committed an assault on a white girl is considered proper and just, just as is the summary shooting of a man who calls you a liar to your face. In neither case do I consider the circumstances extenuating in the least. The crime can be called nothing else than murder." Justice Brewer gave it as his opinion that there will soon be a popular reaction against lynching, and that proper legislation will be enacted to punish the guilty. One hopes that Justice Brewer is right, but one fears that he is too sanguine, as there is nothing at the present time to indicate that there is any reaction against lynching ; and, on the contrary, it appears to be increasing in violence and to be spreading through all parts of the country.

The Press still continues to pay much attention to Russia and Russo-American relations, the discussion which has been aroused having done much to create sentiment against Russia and to open the eyes of Americans to the foolish notion which they have so long entertained that the Russian Government is really fond of their country or has any sympathy with Democratic institutions.

The deep regard that Russia has always professed for the United States [says the *Times Union*, of Jacksonville, Florida] has always been accepted at its face value by our people, but in Europe, where the diplomatic duplicity of the Russian Foreign Office is thoroughly understood, no such fond illusions have ever been entertained. It has always been taken for granted by Continental diplomatists that the manifest destiny of Great Britain and the United States had much in common, and that in the natural course of events the two great English-speaking nations of the world would inevitably be drawn so close together as to present a front no European coalition could ever hope to break,

and, such being the case, it is not at all difficult to see why Russia, with her traditional grievance against England's policy in the East, should welcome any opportunity of strengthening herself in the United States at the expense of the Mother Country.

It was a very sorry day for Russia when she tried to thwart American diplomacy in China. One would have thought that as against Russia, with China as a stake to be played for, the Americans would have been swept off the table, with such respect were the Russians regarded as masters of the game and as bungling amateurs the Americans. Biblical history records the case of a man, armed only with a sling and a stone, laying prone his gigantic adversary, who being the Russia of his day naturally scoffed at the idea of such a puny opponent, so badly armed and evidently so unfamiliar with the science of combat, coming out to do battle with him. It was the little man who went off the field with his head in the air, and so it has proved in this case. Russia has not only been out-generalled and beaten by the United States in the diplomatic game, but the price of defeat has been the loss of American good-will and the forfeiture of the thing which Russia always held to be one of the most valuable assets in her international capital; which was, no matter what might happen, that she could always count upon the support and sympathy of the United States, and would be able to prevent the United States from doing anything that would be opposed to Russian interests. It was on that capital that Russia has traded for many a long year, which has been used time and time again to the detriment of England. And now it has been discovered that the capital was as mythical as the Humbert millions. The eyes of the American people have been opened, and they have learned that not only has Russia no great fondness for them, but that Russia in her dealings with the United States adopts no different course to that which she uses in dealing with all the rest of the world. She resorts to the same devious diplomacy, to the same duplicity and evasion, ready as always to make a promise or give any pledge that may best suit the moment, and ready always to break her solemn word if that best suits her purpose. All this has been a shocking revelation to the American people. As a people the Americans are honest, and their diplomacy has been equally honest. They do not understand that a nation can have so little regard for good faith. Most Americans used not to believe what they read of Russian perfidy, and used to ascribe it to English malevolence. They now know to the contrary. They now know that Russia cannot be trusted.

The announcement that China has at last agreed, with Russia's

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consent to open two ports in Manchuria to the trade of the world is regarded by the American Press as another of the great diplomatic triumphs gained by Mr. Hay which has made his incumbency of the State Department so notable. The Press regards the securing of this concession as the end toward which Mr. Hay has been so steadily working ever since he entered the State Department at the close of the Spanish war. "For three years the diplomatic battle at Pekin, Washington, and St. Petersburg," says the *Philadelphia Press*, "has turned upon whether the agreement, secured by Russia in 1900, before other Powers had acted, should bar American trade for all time to come or be removed by a commercial treaty granting new ports to the United States. Such a treaty is now pending at Pekin. Each time it has approached signature the influence of Russia has prevented an agreement. Previous assurances have not been altogether satisfactory, and it may be looked upon as certain that Secretary Hay will be satisfied by nothing short of the open door, in form, in fact, and in immediate execution." The *Press* points out that by Mukden becoming a treaty port the interior of Manchuria is thrown open, and that Ta Tung Tao, at the mouth of the Yalu, opens another route into Manchuria by that river, which will give American cotton goods a new point of distribution.

In view of Mr. Chamberlain's proposed policy to knit the Empire into closer bonds by means of a preferential tariff which shall operate in favour of the Colonies, and especially in view of what economists and statisticians recognise to be a fact, that in the near future Great Britain must look to Canada for its wheat supply, as the United States will need all of its own grain to feed its own people, the statistics relating to the flow of immigration into Canada, especially from the United States, and the magnitude of the wheat area of Canada as compared with that of America, are of the most extreme interest.

The official returns just published show that the total number of immigrants from the United States to the Dominion during the past twelve months was 44,980, as compared with 37,000 in 1902, 18,000 in 1903, and 5791 in 1900. The present movement—I quote from a careful compilation made by the *Literary Digest*, of New York—began in 1895 with the immigration into the Valley of the Red River of the North, in Northern Minnesota, of farmers in search of cheaper land. As those lands became occupied and prices rose the stream began to be deflected into Canada, and these streams have since been steadily growing in volume. The *Minneapolis Journal* says that more Americans are taking homesteads than any other nationality. A very large part of

the land sales of the Canadian Pacific Railway company are to Americans, and most of the land companies find practically all their customers in the United States. At the same time American capital is flowing like an irrigating stream into every portion of the Dominion. Simultaneously, Canadian capitalists are becoming more alert and daring than formerly, and are taking a large part in the opening up of the country. This capital has gone into iron and steel mills, pulp and paper mills, into scores of factories making agricultural implements and all other kinds of machinery; into woollen mills, into banks, railways, new and old, and "into the fat lands of the far flung and richly fertile prairies of Canadian West." In one great iron and steel concern alone there has been invested £5,000,000 of American money.

It is almost staggering for one to realise the immensity of Canada's wheat area and, how completely it dwarfs that of the United States. It has been estimated that the wheat area in the Canadian North-West is 400,000 square miles, or four times that on which wheat is grown in the United States. In Canada only one per cent. of this area is at the present time under cultivation. It is said that one county of North Dakota had last year more land in wheat than all of Manitoba, but if the present rate of immigration continues Manitoba will soon be the greatest wheat-raising centre in the world.

Commenting on these statistics the *New York Evening Post* says :

Whatever our Western States think of this movement, it is an active factor in the development of the North American continent, and will remain so as long as the policy of keeping the new country before the public is maintained by the Canadian Government, the railways, and the land companies. While for commercial purposes population in the Canadian West is not so valuable to us as in the American West, it should not be considered that an imaginary boundary line can bar the currents of trade. A populous Canadian West is better for us than an uninhabited wild.

This last sentence is worthy the attention of English statesmen and economists. The belief now existing in the minds of many Englishmen that the development and continued prosperity of Canada would arouse hostile feelings and jealousy in the minds of Americans may, I think, be dismissed as being without foundation. As the *New York Evening Post* so well says, a populous Canadian West is better for the United States than an uninhabited wild. The richer and more populous Canada is, the greater will be her power to spend money, and the greater will be her requirements. Many of those requirements must be met by the United States, and therefore whatever promotes Canadian prosperity helps American prosperity.

Since the Americanisation of Western Canada began there has been a question in the minds of politicians on both sides of the border as to whether it would not result in Canada ceasing to be British and becoming American ; whether the American settlers would not carry with them their political and other institutions, and in a short space of time would no longer be content with being "Outlanders," but would strive for political power, which would end in their becoming the dominant political factor and bringing about union between Canada and the United States. Professor Goldwin Smith, whose dream has been the incorporation of his country into that of the American Union, it is true, regards the movement as one destined to lead to fusion, and rejoices thereat exceedingly. Nature, he asserts, is stronger than any schemes of imperial federationists, and as both people speak a common language, and the "literature, religion, institutions, social sentiments, and habits are the same on both sides of the line," in the end union must be accomplished. But during the course of the last twenty years or so Professor Goldwin Smith has made numerous prophecies which have been more remarkable for having been disproved than realised, and one would be inclined to believe that in this instance his vaticination is inspired by enthusiasm rather than facts. The best Canadian observers have no such fears. They welcome the American because he is usually a man of experience and brings into the country his money and household goods. It is, of course, too early to say whether the American will continue to remain an American even although he lives under the British flag, or whether his political allegiance will follow his commercial and make him become naturalised. Most people think the latter will happen. The American will be more satisfied and contented with his lot in Canada than in America ; America will have none of the great sentimental attraction for him which England has for the Englishman, because most of the farmers from the American North-West are not native born, but have trekked there from the more densely settled East. They were content to live in the West and be of the West so long as the West mothered them in her plenty ; but now that she proves only a foster-mother whose heart no longer beats for them, they turn their backs on her and sever their home ties with little regret. If the American farmer does well in Canada it is more than likely that the next generation will see him more Canadian than the Canadians.

If any one doubts that the American people entertain a sincere friendship for the English people that doubt should be dispelled by the tone of satisfaction which marked the American Press in

describing the visit of the American squadron to England, and especially in contrasting the English reception with that given to the same officers and ships by the German Government. There is no especial reason why the American newspapers should make use of the opportunity to display their friendliness, but that they do in a marked degree. "The official visit of the American squadron to England closes with a feeling on both sides of the sea of deepened sympathies and a tightened bond between the peoples," says the New York *Mail and Express*; the Boston *Transcript* declares that "the relations of the two countries are so closely cordial now that it is difficult to see how they can be drawn any closer;" the Philadelphia *Ledger* observes that Admiral Cotton was received with incomparably greater enthusiasm than President Loubet, and there was "a note of real heartiness in the greeting between the officers of the European squadron and the English gentlemen and officials who entertained them." The Washington *Post*, which has never been noted for its friendship to England, finds that while the German Emperor and German officialdom sought to impress the United States by the warmth of their greetings, the German people had none of that enthusiasm for the Americans that the English masses had, and that whereas the hospitality on one side was more or less manufactured, on the other it was purely spontaneous and proceeded from the genuine feeling of goodwill that Englishmen as a whole have for Americans.

Although the general trade of the United States still continues to be extremely good, and shows little, if any, diminution in volume, some apprehension is felt concerning trade prospects in the autumn, due principally to the prevalence of strikes, and the evident disposition of labour in certain quarters to compel their employers to recognise their power and accede to their demands. For several months past building operations in New York have been practically at a standstill because of disputes between the great contractors and their men. A short time ago, after millions of pounds had been lost to both sides, a temporary truce was patched up. Recently, however, the war has broken out anew, and those men who were willing to make concessions rather than to see all business paralysed, are now believed to be tired of the dictation and tyranny of trade unions, and are determined once and for ever to settle the question whether employers or employees are to control. Efforts to settle differences by arbitration have failed, principally because the men refuse to be bound by the arbitration, and believe that it would place them at a disadvantage in the future in case they attempted to secure an

advance of wages or a decrease of hours. Some of the largest contractors have many millions of dollars tied up in works in progress for which they cannot be paid so long as the strikes continue, and it is feared that this will result in several failures. Already one of the largest firms of contractors has been forced to suspend because all of its available working capital was tied up in buildings in course of erection on which no work had been done for months. The contractor is paid in instalments as the work progresses, and as he has to make large outlays for iron and steel and all other building materials, unless he is paid promptly as the material is used, he finds himself involved in financial difficulties. The men, knowing the weakness of the masters' position, are encouraged to keep up the fight with the hope that in the end the contractors, to save themselves from ruin, will agree to anything that the men may demand.

This feeling of insecurity on the part of capital and the fear that if a strike in one trade is settled by agreeing to the demands of the men it will be a direct invitation to other trades to make similar unwarranted demands, explains in a measure the recent sensational decline in the price of all American securities. The main reason of course is, that the security market has been over-worked, and the stocks of over-capitalised companies have been offered to the public, who have now discovered that they paid extravagant prices for shares of little value. If there is further liquidation it would not be at all surprising, in fact it is what a great many people confidently expect. They believe that the bottom will only be reached when the wind and water has been squeezed out of many of these bubble companies, and a complete reorganisation has taken place on sound principles. Another reason why no real or lasting advance is to be anticipated is that the American always grows nervous before a Presidential election, and to provide against contingencies begins to jettison his cargo at the first signs of a storm. The next President will not be elected until a year from next November, but with the meeting of Congress in the winter the Presidential campaign will really open, and business men will be kept on the anxious seat for a full year. If they felt certain that Mr. Roosevelt would be re-elected much of this fear would vanish, because even though they do not admire Mr. Roosevelt's methods there would be no danger of any radical change in the present financial or fiscal policy. But although the odds are largely in favour of Mr. Roosevelt's election it is by no means assured, and until that doubt is dispelled there will be caution displayed in all business affairs, and the wise man will be more inclined to shorten sail than to put on a full head of steam.

A. MAURICE LOW.

## THE CRUSADE AGAINST THE CLASSICS

THE outcry which periodically arises in this country against the teaching of Latin and Greek has recently been louder and more insistent than ever. There appears to be a kind of vague idea in the minds of the anti-classicists that the Public Schools and the Universities are responsible for the alleged shortcomings of British officers in South Africa, and for the alleged failure of British manufacturers and British merchants to keep pace with their enterprising rivals in Germany and the United States. "Abolish or minimise the study of useless dead languages," they cry; "teach useful modern languages instead, like the shrewd, practical Germans and Americans; establish more technical colleges, and you will recover your lost ground."

I need hardly say that it is not the object of this article to deprecate reform in our methods of teaching modern languages, or to oppose the movement for extending and systematising technical instruction. My purpose is simply to call attention to the vital necessity of retaining and fortifying that branch of education which in this country is becoming unpopular. Now, the most noteworthy characteristic of those who, in the same breath, inveigh against the Public Schools and the Universities for teaching Latin and Greek, and point to Germany as the model for imitation, is their ignorance of German methods. To say that the Germans make Latin and Greek give way to modern languages and to technical instruction is to make an assertion so grotesquely false that there is probably no civilised community, except our own, in which it would find credence. The Germans, just because they are shrewd and practical, just because their educational system was created, not by irresponsible theorists but by educational experts, devote not less but more attention to the teaching of Latin and Greek than we do ourselves. In the winter of 1894-95 there were in the higher schools of Prussia alone 159,454 scholars, of whom 89,084 were in the classical schools (*Gymnästen* and *Progymnäsen*); while of the remainder,

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which attended the *Realgymnasien* and *Realprogymnasien*, in which the study of Latin is compulsory.\* In these islands there are only four periodicals which are devoted to the study of classical literature, philology, and antiquities—the *Classical Review*, the *Journal of Philology*, the *Journal of Hellenic Studies*, and *Hermathena*. In Germany the number of such periodicals is so great that a mere list of their titles would fill a page of this Review. Every classical scholar knows that nearly all the works on classical subjects published in this country are indebted more or less to German research. Even in the German *Oberrealschulen*—those modern schools in which Latin is not taught, and which prepare boys for commercial and industrial pursuits, clerkships, civil and mining engineering, and various non-professional avocations—ancient history is taught as well as modern; and pupils in these schools who desire to become veterinary surgeons, to enter the higher military or naval service, or to obtain any of the other privileges that belong to the *Realgymnasien*, are obliged after leaving to pass an examination in Latin. For the vital principle of German education, modern as well as classical, is, as Matthew Arnold said, “steadily to regard the *allgemeine wissenschaftliche Bildung* of the pupil, the formation of his mind and of his powers of knowledge, without prematurely taking thought for the practical applicability of what he studies.”† These words were written more than thirty years ago, but their truth remains unchanged. “The first thing,” wrote Mr. Sadler in 1897, “which impresses itself on the visitor to the Berlin *Realschulen* is that they keep before them, at every point of their work, the ideal of a liberal education.” And again, “The German does not believe in too early technical specialisation. He wishes to prepare the lad who will afterwards proceed to technical studies by a liberal education.”‡ This is the very principle which the agitators who profess such admiration for German methods entirely lose sight of.

And what about America, our other great commercial rival? Has she abandoned Latin and Greek? By no means. In America the value of classical education is becoming daily more recognised. America, like France, Germany, and Austria, has long had her school of classical study—artistic, archaeological, and historical—at Rome. England, which, we are told, is sacrificing her

\* M. E. Sadler, *The Realschulen in Berlin*, 1897, p. 444.

† *Higher Schools and Universities in Germany*, p. 12.

‡ *The Realschulen in Berlin*, pp. 387, 453. By the regulations published in 1901 the time devoted to classics both in the *Gymnasien* and in the *Realgymnasien* has been increased.

commercial prospects and her military efficiency to her insane devotion to the study of Latin and Greek, has not yet been able to endow a similar institution, simply because the friends of classical learning in England are, in fact, so few and so uninfluential that the necessary funds have not yet been collected. It is true that a British School at Rome has at last, after desperate exertions, been opened; but less than one-third of the sum which would be barely sufficient for its adequate maintenance has as yet been raised.

The facts which have just been stated are such as the declared enemies of classical teaching will find it difficult to explain away. Unto the Germans they have appealed: unto the Germans they shall go. But in dealing with those who are open to conviction other arguments may be used. If classical education is to withstand the assaults that are being made upon it, it will be necessary in this democratic country to convince the average parent that his sons will gain nothing and lose much by not learning Latin and Greek. What, then, are we to reply to the question which the average parent so often asks, "Of what use will classics be to my boy in after-life?" Well, the first answer is, that no better mental discipline has ever been devised than that which the study of Latin and Greek affords. As a well-informed journalist puts it, "The learning of classics forms the best basis on which the power to reason, to make deductions, and to acquire knowledge can be built up." This has been said many times before and has been many times denied; but the experience of the teachers of every great European nation during the last four centuries—yes, and of modern men of science who are really eminent—is evidence of its truth. Those who deny it are men who, having themselves derived, or fancying that they have derived, no benefit from classical education, and observing that many boys leave school with only a smattering of Latin and Greek, impatiently clamour for teaching which shall be immediately useful. But the remedy is not to forsake the classical languages, but to insist upon their being learned thoroughly.

The sellers of new lamps for old [says Dr. Postgate] are doing their best to make out that French and German can furnish the student with all the advantages that he can find in the classical tongues. . . . But if the classics are overthrown, these languages are not likely to take their place. . . . They have no literature to compare with that of Greece. Their grammatical structure is almost as worn out as our own. . . . And to talk of their affording an equal intellectual stimulus! Why, Greek and Latin carry us into a different country. I had almost said into a different world, while their modern rivals can take us no farther than into another street, or at most a neighbouring town.<sup>6</sup>

<sup>6</sup> *Sermo Latinus*, 1880, pp. 44-5.

It may perhaps be objected that Dr. Postgate is a prejudiced witness, and the anti-classicists may contend that Lord Rosebery's opinion is more valuable than his. But against the opinion of Lord Rosebery should be set that of Lord Goschen, who says, "You may take it from me that there are five times as many mental processes to undertake in translating from Latin or Greek into English as there are in translating a modern language";\* of Mr. W. J. Courthope, who remarks of Latin that "as an instrument for the training of the logical faculty . . . there can be no comparison between it and any modern language";† and of Dr. Almond, who says:

I have seen for many years a modern side in operation, in which no Latin was learned. Making all allowance for differences in average ability, the contrast between the two sides in power of grasping and comprehending not only new literary subjects, but new scientific subjects, such as chemistry, has been most marked; and I have no hesitation in saying, from a wide experience of boys who have gone out into the world, that, on the average, I will back the boy thoroughly trained in Latin against the boy trained in modern subjects for success in any walk of life whatever.‡

Eleven years ago Professor Jebb received a letter from a correspondent who urged that no alternatives for Latin or Greek should be allowed in the "Previous Examination" at the University of Cambridge. "I think," he said, "for the sake of mathematicians and science students, Cambridge and Oxford should keep Greek, of which even a very moderate extent is of very great value." § The writer of those words was Lord Kelvin.

When the anti-classicists deny that classics are useful, they should be called upon to explain what, for the purpose of their argument, the word "useful" means. And if I have not yet succeeded in making evident the use of classical education to those boys who will afterwards drop their classics, I will ask the anti-classicists to define the use of mathematical training to those boys who will afterwards drop their mathematics. Yet that mathematics are useful even to these, I should not only not deny, but strenuously maintain. Again, a large proportion of boys who have been taught history, speedily forget most of the details which they have learned, and never open an historical work after they have left school. It is not less certain that a considerable number of boys who pass their school-days on the Science side never look at a scientific treatise in after life. Are we, then, to conclude that boys of this kind derive no benefit from history or

\* *Report of the Committee appointed to inquire into the Entrance Examinations . . . of Candidates for Commissions in the Army*, 1894, p. 209.

† *Ibid.* p. 232.

‡ *Ibid.* p. 209.

§ *Times*, October 28, 1891, p. 10, col. 3.

from science ? Again and again we are told that most boys who receive a classical education learn only a little Greek or a little Latin, and that a little Latin and less Greek are equally useless. But who will maintain that boys who study history or science, however diligently, at school can possibly have any adequate knowledge of history or of science when they leave school ? They have only laid a foundation. But if a little classics are useless, why is a little history or a little science so valuable ? At every turn we are brought back to the real question : Is the object of scholastic education the formation of the pupil's mind and of his powers of knowledge, or is it to impart information which shall be immediately and directly useful ? If those who desire to abolish or to minimise classical education were consistent, they would carry their theory of utility to its logical conclusion. They would teach law and possibly rhetoric to future lawyers, theology with a modicum of Latin and Greek to aspirants for Holy Orders, engineering to budding engineers, the mysteries of "Trusts" and *la haute finance* to those who were eager to become millionaires, the theory of "options" to candidates for admission to the Stock Exchange, and so on. If it be contended that classics do not furnish boys with the equipment which will directly fit them for making fortunes or for opening out new markets for commerce, then it may be conceded that so far classics are not useful. I use the word "directly" of set purpose ; for when we observe that the Germans give a prominent place to Latin among the subjects prescribed for their *Realgymnasien*, we must admit that there is force in the theory that by the preliminary study of Latin the faculties which are needed for success in business and in all the higher walks of practical life are most effectively trained.

I do not forget that the more moderate of the anti-classicists are willing to concede something to old-fashioned ideas. They would not abolish the classics : they would graciously keep them for the laggards who had no aptitude for what is "up-to-date," and to whom they might be "useful." But such a concession would be utterly worthless. To decide that classics should be taught only to a select few would be simply to postpone for a few years the date of their abandonment. To whom would they be "useful" ? To schoolmasters, we are told, to boys of a bookish turn who would be likely to become dons or professors or students of archæology and of classical antiquities. But where would the schoolmasters find employment ? Who would attend the lectures of the professors ? How long would the students of archæology and of classical antiquities continue to study

subjects in which they could induce nobody outside their own little circle to take any interest? What practical arrangement could be made in schools for teaching the melancholy little classes to which the study of the classics would be confined? Restrict the study of Latin and Greek to a small and contemptuously tolerated minority, and it will speedily perish from inanition.

"But would you," it may be objected, "teach classics to boys who have no aptitude for them? Would it not be better to give these boys a purely modern education?" The objection sounds reasonable: I do not think that it is really valid. The number of boys who have no aptitude for classics is much smaller than is commonly supposed. If a boy has *no* aptitude for classics—if, that is to say, it is waste of time for him to study them under a competent teacher—depend upon it that he has little or no aptitude for any branch of study. Many boys pretend that they have no aptitude for classics, and persuade their parents that they have none because they are lazy, and hope that, if they are transferred to the Science or Modern side, they will have an easier life. Many boys have comparatively little aptitude for mathematics; but that is not accepted as a reason for allowing them to drop the subject. Steady coercion, sympathetically applied, will do a great deal. I have known many cases in which boys, after blundering on for years, more or less hopelessly, suddenly felt that they were beginning to know something of Latin, and, thence-forward developing an interest in the study, made rapid progress. Therefore I do hold that all boys in Public Schools should be compelled to learn classics, at all events up to a certain point. Some of the ablest men of science living did not begin to study science till after they had left school, and are all the better for having been saved from premature specialisation; but if the study of science must begin at school, I would ~~not~~, if I could have my own way, allow any boy to enter upon it systematically before the age of sixteen; and I would compel every boy, after he began to study science, to continue studying Latin, if not Greek, as well.

A few days ago a hard-headed man of business was giving me his views about education. He was speaking of the modern theory, that ~~boys~~ who are intended for the medical profession ought to receive a scientific education. "I can only tell you," he said, "that if my own boy were going to be a doctor, he should remain, as he is in any case to remain, throughout the whole of his school career, on the Classical side. As soon as he had had a thorough classical and general education, then, and not till then, should he begin to learn science." Now the man who said this is not a sentimental dreamer; he cares nothing for

literature or for culture ; he is simply a shrewd, practical man who worships success, and who is disposed to identify ability with capacity for making money ; and his view is based upon wide and intimate knowledge and close observation of educational methods and results, which has forced upon him the conviction that the preliminary education which best fits a boy to succeed in life and which best trains his faculties is the old-fashioned, time-honoured, classical education.

I may say, further, that two of the strongest advocates of classical education whom I have ever met were the chief mathematical master and the chief science master of a great Public School. They both spontaneously, separately, and independently, in conversation with me, based their opinion upon the detrimental effect which they had repeatedly observed in their own pupils, while they were preparing for examinations for scholarships at the Universities, of temporary abandonment, lasting generally for an entire term, of classical work. "I cannot help thinking," said another science master in the same school to me, "I cannot help thinking that it's a mistake to teach young boys science before they've been well grounded in classics ; they're not ready for it."

One word more. When Matthew Arnold was studying the German system of secondary education, he was informed by Dr. Jager, the director of the Friedrich-Wilhelms gymnasium at Cologne, in which a *Realschule* was incorporated, that "the boys in the corresponding forms of the classical school beat the *Realschule* boys in matters which both do alike, such as history, geography . . . and even French, though to French the *Realschule* boys devote so far more time than their comrades of the classical school." The reason, Dr. Jager affirmed, was that "the classical training strengthens a boy's mind so much." And the opinion of Dr. Jager was confirmed by the opinions of the chief educational authorities with whom Matthew Arnold conversed, everywhere, both in Germany and in France.\* The most experienced German teachers have now become convinced that the *Oberrealschulen*, in which Latin is not taught, fail to provide a really liberal education.

But, over and above the use of classical education as an instrument for disciplining and strengthening the mind and preparing it to approach any other study with a sense of power and a breadth of view which would be otherwise unattainable, there are yet higher uses, which I have not space to dwell upon—uses which it is as impossible to make those appreciate who have never experienced them as it would be for a composer to explain the

\* *Higher Schools and Universities in Germany*, p. 731.

uses of music to one who had no music in his soul. The man who has felt the pure delight which comes from the study of the masterpieces of Greek and Latin literature, who feels how his standard has been thereby elevated, his literary taste refined, his judgment strengthened, his whole nature stimulated, will never regret the years of toil which he devoted to acquiring a knowledge which was to be a possession for ever.

There is no civilised nation which can less afford to do without the humanising influence of classical education than our own, and it would be a national calamity if the class, small though as it is, of cultivated Englishmen were to disappear. Therefore the Universities, which are showing signs of weakness, must present a bold front to their enemies. They must shut their ears to ignorant clamour, and insist upon fulfilling their proper function. It is not their business to provide technical instruction ; it is their business to provide liberal education. They must remain the purveyors of "useless" knowledge—of that knowledge which is derided as useless, but which, though not utilitarian, is really, in the truest sense, useful. Upon them lies a great responsibility ; for the Public Schools can only follow their lead.

I need hardly repeat that I am not saying a word against the study of modern languages in schools ; but since Germany is the model held up to us by the anti-classicists, out of their own mouths I will again refute them. In the *Gymnasien* of Germany, French and English are taught, and well taught, side by side with Greek and Latin. Speaking generally, French is the only modern language besides German the study of which is obligatory ; but all gymnasiums give their pupils the opportunity of learning English as well, and in some English is learned in the three highest classes as well as French.\* I doubt whether there is a classical scholar of any note in Germany who has not a thorough knowledge of French and English ; and if he has not time to obtain a complete mastery over these languages at school, he masters them afterwards, because he simply cannot afford to be ignorant of them. Similarly, an English scholar who does not know German cannot do any original work ; he cannot afford to remain in ignorance of what classical scholars are doing in the country which, notwithstanding its astonishing commercial activity, is, in the region of "useless" scholarship, pre-eminent in the civilised world. The truth is that English boys who remain throughout their school career on the Classical side, who go to the Universities, and for whom a thorough colloquial knowledge

\* This information I owe to the kindness of Professor B. Kübler, of the University of Berlin.

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of modern languages is not, from a utilitarian point of view, essential, can and do learn enough French to be able to read it with facility, and, if they have not learned German at school or in their holidays abroad, can, with ordinary application, acquire a sufficient knowledge of it for their own purposes. As for those boys who are destined for any career in which it will be directly useful for them to be able to speak and to write French and German fluently, let them learn to do so by all means. Establish in England, if you will, schools analogous to the *Realgymnasien* of Germany; but, O anti-classicists, since you are for ever dinning into our ears that we must make Germany our educational model, follow the wise example of the Germans, and, in your *Realgymnasien*, make the study of Latin compulsory.

It is no part of my purpose in this paper to dwell on the defects of our existing methods of classical teaching, or to propose reforms by which the good results of that teaching might be multiplied and extended. But I venture to suggest that we should do well to consider the principles which guided our forefathers. Greek and Latin used to be so taught that many boys who had no remarkable literary gifts conceived a real love for them, and continued to read the classics throughout life. Great progress has been made within the past generation in the knowledge of the classical languages, literature, and history; but it is not certain that the immediate results have been altogether good. I believe that the present tendency is to specialise too early, and to weaken the interest of young minds in the classics as literature by prematurely forcing them to study subjects which, essential though they may be for thorough knowledge, are only subsidiary.\* Help boys to appreciate the literature which they read, and the rest will come in due time.

There are men who, although they know the supreme worth of classical education, cannot rouse themselves to the effort of defending it, because they take for granted that it will sooner or later become extinct. I will not yield to this form of fatalism. I do not believe that the English people, when they realise the revolutionary nature of the miscalled reform which they are urged to approve, will allow it to take effect. Will they consent to abandon classical education when they see that the Germans, whose example they are exhorted to follow, are the most earnest and the most influential students of classical literature in the world? Will they not think twice before they consent to forsake a system of education which was established four centuries ago

\* What Matthew Arnold (*Higher Schools and Universities in Germany*, pp. 166-72) has written on this question deserves to be studied.

by the wisest men of Europe, and which, among all the most enlightened European nations, has thriven and developed ever since ? Will they allow that education to perish which, according to the universal experience of the best teachers of their own country and of the Continent, is more potent than any other in disciplining the mind, in training the reasoning faculty, and in preparing the young to pursue any form of special study to which their natural aptitudes may lead them ? Will they be so reckless as to starve that education which creates the cultured class, without whose leaven no nation can remain great, and to paralyse the literary, the historical, and the scientific studies which depend for their existence upon classical scholarship ? If they allow these things to be done, they will become once more the laughing-stock of Europe ; and, in the struggle for commercial supremacy, they will find too late that they have gained nothing at all.

But it is little that one obscure writer can do to make head against the agitators who are striving to undermine classical teaching. I appeal, therefore, to all those who agree with me, and whose names carry weight, to bestir themselves, and with voice, or pen, or purse to do all that in them lies on behalf of the good cause. If I might venture to offer a suggestion, it would be that the leading classical scholars of this country, and not they only, but also those statesmen, soldiers, scientists, and professional men who have received a classical education, and are grateful for the benefits which they have derived from it, should form an association for the defence, extension, and encouragement, and, as far as may appear necessary, for the reform of classical teaching.

T. RICE HOLMES.

## THE INFLUENCE OF THE WEST UPON THE EAST

SINCE the British people have become conscious of the immense interest and significance of their Eastern Empire, the question as to what effect Western influence is having upon the life of the East is no longer one of merely academic concern. Even the ordinary man realises that the actual conquest of the East by Europeans is part of a world-process, and he recalls, with more or less clearness, that something like it has happened before ; that, some twenty-two centuries ago, the armies of a Great King ruling in Babylon and Ecbatana were shattered by the onset of men from Europe ; that nineteen hundred years ago regions which he thinks of as essentially Oriental were obeying proconsuls and procurators from the West, as India is obeying Lieutenant-Governors and Collectors to-day. And when he reflects how that former empire of Western men has passed away, he is inclined to sigh, or smile, at the vanity of his own work, to believe that it, too, will fade some day like the unsubstantial fabric of a vision and leave the eternal East immutably itself.

I have elsewhere\* contended that this attitude is not justified by a closer inspection of the facts of history. But I confined myself in the main to examining the experience of antiquity. Since, however, our own interest rather belongs to what is taking place to-day, it seems worth while to indicate what (as it appears to me) are the chief outlines and determining considerations in this controversy, so that by the removal of misunderstandings the points at issue may stand out clearly, and, even should my statement be erroneous, the truth may be helped to declare itself, on the principle, *Citius ex errore veritas emergit quam ex confusione.*

“ East and West,” we hear it said, “ are two essentially opposed principles ; all influence of the West upon the East in former times has been superficial and transitory ; no real influence is being exerted by the West to-day.” It will be

\* *Monthly Review*, February 1903.

seen that we have here three propositions, each of which may be examined separately. Indeed, it will make for clearness if we divide a discussion of the question into the three heads thus given us, though it is, no doubt, only by holding them all in view that our judgment on the whole question will be broadly and securely based.

## I

It may, I think, be taken as a fact admitted by all who know the East that a great gulf exists between Orientals generally and the European of to-day. Nay, more, I believe it may be said that many of the characteristics which strike the European in this or that Oriental people, as marking their difference from himself, belong to the East as a whole. And yet I believe the current antithesis of "East and West" to be extremely misleading.

In the first place, nothing but confusion can come of a generalisation which classes together as the embodiments of a single genius peoples so diverse as the fierce fighting men of the Indian frontier, the peaceful glib Bengalis, the formal Chinese, and the clever, lively people of Japan. But why may we not do so in virtue of those characteristics above-mentioned which, in spite of all diversities, are common to them all? Because I believe that it is just these common characteristics, which are not peculiarly Oriental, which belong to all people outside the limits of the civilisation which now prevails in Europe and belonged to those former generations of Europeans who were without this civilisation.

Our present civilisation, it must be remembered, has not been a continuous attribute of Europe. The anthropologist must regard it as a comparatively new departure in the history of the human race. Even in Europe we can only assign to it some few centuries, out of those which have gone by since these regions have been trodden by man. I believe that I am in agreement with the opinion of educated men in holding that our civilisation is practically a continuation of that of the classical, the Graeco-Roman, world. Not that there are no currents in our society, no elements in our life, which have another origin than the pagan-classical; but when we describe our civilisation by those characteristics which mark its difference from the types of the East, we find that it is just those which were first developed in the free states of Southern Europe some twenty-four centuries ago—the constraining idea of public duty, the freeman's power of initiative and resource, the open-eyed rationalism.

Taking it in this way, we see that the growth of our civilisation has been by no means a continuous triumph over the darkness or twilight of that world in which it originated. For two or three centuries we see the spark expand into brightness in Greece and Italy, and then (for causes which the students of ancient history investigate) fade under the monarchy of Macedonians and Roman Emperors, till it seems overwhelmed in the barbarian invasions. The light has apparently after all been swallowed up by the darkness of that Northern Europe it had failed to penetrate. It is only after some ages that it appeared that those multitudes which had seemed to overwhelm the embers of ancient civilisation were themselves capable of taking fire, that the spark had in fact been smothered by combustible material, and that the glow of those great masses, when at last interpenetrated by its power, filled the world with a new illumination.

Hence it is that when we take any of those characteristics which are now common to the East, we have only to look at the Europe of another age to find its parallel. "The European of the sixteenth century," as Mr. Hugh Clifford observes in a striking article, "was much nearer to the Oriental than his modern prototype," and he points out that only three or four centuries ago, in their fierce intolerance with regard to the Eastern Moslem, in their savage cruelty, the Portuguese were no whit better than that East in contrast to which we delight to mark ourselves as liberal and humane. And if we find the Eastern to-day submitting with a spiritless inertia to some corrupt despotism, we may recall scenes which were once witnessed on European ground—the descendants of those Greeks and Italians who first created the free state crawling to kiss the border of a gem-encrusted purple robe ; or when we see some man of power compelling the blind devotion of a primitive tribe, we may ask whether it was much otherwise with the tribesmen who gathered about Brennus or Caractacus or Alaric in the forests of our own lands.

In fact, while the gulf between European and Oriental to-day is not to be denied, it must be remembered that the diversity is twofold, a difference in the stages of culture as well as a difference in breed. It is, of course, conceivable that further research in human biology might discover some inherent disability in all the races of the East to move in the direction in which Europe has moved since the Renaissance. But I doubt whether the obscurities of such a subject are not far beyond the present resources of science, and meanwhile the popular view rather begs the question than attempts to prove it. Certainly,

the difference of breed and physical environment would always count for something. Even the differences of such near neighbours and cousins as the English, the French, and the Germans continue salient ; how much more must a difference always remain between those born and bred beside the Thames and those who drink the Ganges ! This makes it certain that even if the culture of Europe be ever propagated in the East, it will take on a special local colour among the various races, as it has done in Europe ; but as to which qualities now observed in them are inherent in the stock and which would be modified under a change of conditions, that, I imagine, when one considers the extraordinary variations which have been displayed by the same people at different epochs—by the Italians, for example—passes our reach to determine.

In reference to this—the irreducible quota in the composition of every people which is given by breed and climate—we may affirm an eternal distinction in kind between the European and all of the Asiatic races. Yet this distinction is after all only one of proportions. It is well to consider what is implied in the proposition (which every one would admit) that under the difference there lies a common human nature. Our nature has not elements which are altogether absent in theirs, but the several elements are developed in different degrees relatively to each other, their mutual balance and predominance is different. Do we, for instance, mark Orientals as being the slaves of custom and tradition ? The same instinct works in us, although more interfered with by a freer play of reason. Are they pitiless ? We too have our points of insensibility, which will perhaps seem strange to another age. Are they superstitious, living, as it were, under the continual pressure of unseen powers ? Is there one of us but

Just when we are safest, there's a sunset-touch—

We know the rest of that famous passage.

On the other hand look at what are given as the marks of our own civilisation. I take its most essential note to be the relatively large development of the reason. This, in the sphere of practice, is what makes the coherent action of an elaborately organised community possible—is, that is to say, the condition of a free civilised state ; it is that which continually modifies the traditional by reference to ultimate ends of utility—is, the condition of progress. In the sphere of thought, it is the rationalism which shrivels up such superstitions as cling about the primitive mind, which sheds a daylight in which the ghosts cannot walk, which nerves our literature and is the vital principle of our science. But this is merely the large development and

extended use of a faculty which is common to all the genus of *homo sapiens*. Not an Oriental only, but the lowest savage, habitually performs mental processes which are identical in principle with the ratiocination of the most exercised European intellect—performs them within restricted limits. His very superstitions are perhaps the first crude throwings of reason. Or take the qualities which distinguish the modern European on his moral side, that comparative honesty and self-sacrifice, for instance, in matters of public duty, which makes the natives whom he rules bring their quarrels to his judgment-seat rather than to that of their fellow countrymen—we have here no virtue which the East has not admired and praised from time immemorial, admired perhaps and praised all the more that it has been so rare.

It is this fundamental community of nature which makes it possible for Europeans, endowed with a certain measure of imaginative sympathy, to cross the great gulf, to re-construct for themselves in their own consciousness the Turkish, or the Indian, or the Chinese, state of mind. And on the other hand it makes Orientals capable of being found by the influence of the West. There is that in their nature which offers a purchase to the forces brought to bear upon them. These forces make demand, not upon organs or instincts which the Oriental does not possess, but which are relatively weak or undeveloped. To take this into account is of capital importance in our estimate of the situation and its possibilities.

So much for what appears to me a truer view of "the gulf." And one may remark in conclusion that the discussion of it is embarrassed by the lack of a satisfactory nomenclature. To describe the entities in opposition as "West and East," "Europe and Asia," involves, we have seen, a theory which, whether true or false, is certainly a very sweeping and ambitious one, and is at present unproven. They are names which beg very large questions. To call our culture "modern European" is inadequate, because the classical civilisation was identical with it in principle; to call it "Hellenic" is inadequate, because it has developed far beyond the Hellenic stage. As a name covering both its classical and its modern phase, I can propose none better than "rational" or "rationalistic civilisation." This describes it by the most essential perhaps of the characteristics which as a matter of fact it displays, and begs no question as to its necessary and exclusive connection with any particular bias of men or point of the compass. For the other term of the antithesis we require some purely negative name like the Greek *βαρβαροι*, which predicated merely the quality of being outside the Hellenic sphere, ("Un-Hellenic," "non-Greek,"

now acquired such suggestions that it would probably be impossible to use it without an implication which a large part of the East might resent as an injustice.

## II

The second question to be discussed related to the action of rational civilisation in its ancient (Greco-Roman) phase upon the East. Of course it is open to some people to say that this is a purely academic question. For our evidence we have to go to the literary documents of a dead world ; and our administrators to-day, accustomed to look at the East "in its native sun-glare," to borrow a phrase of Mr. Hugh Clifford's, find a want of actuality in what the student produces from his patient burrowings in the remains of the past. Indeed, one often hears people speak, as if a contemplation of the living groups in temple and bazaar conveyed in itself by some magical virtue the knowledge of Oriental history. One thinks of Shelley's wandering poet, who gazed at the Egyptian hieroglyphs,

Till meaning on his vacant mind  
Flash'd like strong inspiration, and he saw  
The thrilling secrets of the birth of time.

Had *savants* adopted this method of reading the monuments, they would be staring at them still ; and if we would understand the East in its antecedents and causes, we can as little dispense with that scientific examination of its records which is not most conveniently prosecuted in its native sun-glare. But it may still be said that, granting the necessity of such research to the recovery of the past, we cannot build upon it a secure prediction of the future. I readily admit the element of uncertainty. But it is not I who appeal in the first instance to the witness of the past. It is the popular argument which meets us in a hundred forms ; "You will never impress the spirit of the East, for the West has never done so yet." It has therefore seemed worth while to point out that the witness of the past, when examined, is actually on the other side.

I have already in another quarter put forward what appear to me the facts, and what is the substance of expert opinion in this field, and there is no need for me to go over the ground again. For the present, it is enough to emphasise the fact that in the intellectual sphere, in the philosophy and science of that part of the East which came into close contact with the Greco-Roman world—in its metaphysics, grammar, medicine, geography, geometry—the Hellenic influence has remained predominant.

It is hard indeed for the ordinary European to recognise them now—those fragments of the ancient wisdom of the West,

For the East has long ceased to do more than hand them on as a sterile tradition, and the European has left them behind him long ago. Readers of *Hajji Baba* will perhaps remember the scene where somebody is thrown from his horse and stunned in the streets of Tehran, and Hajji asserts the dignity of the Persian faculty against the English doctor who has been sent to treat the injured man. Hajji defends the principles of Persian medicine, based upon the antithesis of Hot and Cold and the authority of Pocrat. As against this, the representative of Western science in the opening of the nineteenth century—it is amusing to read this in 1903—had cried out: “Take blood instantly! you must not lose a moment.” Well, those theories of Hot and Cold, what are they but the lesson learnt long ago in the Greek schools—the early *pulpitio* of Western science—and who is Pocrat but the Greek Hippocrates? Supposing the worlds of East and West were now severed by some convulsion, and two thousand years hence the European traveller returning, say to India, found its learned men still repeating, as the basis of their lore, the formulæ of Mr. Herbert Spencer—formulæ which in Europe, we will suppose, had long since gone the way of Hot and Cold and the practice of bleeding—it would at any rate prove that the Western teacher was not without his honour in the East.

But the Greek influence, it is said, was very limited in its operation; it was hardly perceptible in many departments of life, in the religion, for instance, which the Nearer East has mainly accepted; it was almost entirely intellectual. All this is true. And yet, in estimating the significance of it, certain considerations must be borne in mind.

In the first place, although we speak of an influence as “merely intellectual,” it is fair to remember that the intellect plays a not unimportant part in life. One cannot alter a man’s intellectual outlook upon the world, and leave him unaffected in all other parts of his being. If Western culture to-day seriously loosens the intellectual systems of the East, all sorts of consequences must follow.

Secondly, if the Greeks did not plant their moral ideal in the East, one must remember that they had already declined from it themselves. When they appeared as the conquering race in the East, their own moral life—owing partly to the inner decay of the city state, partly to their subjection to a monarchy—was already stricken at the root. It was just the intellectual habit and notions inherited from the great days, which were the still operative part of their culture. And if the Greeks of Syria and the Hellenised or semi-Hellenised Orientals, who lived around

them up to the Mahommedan conquest, cannot be compared with the Athenians who listened to Pericles and to Æschylus, neither, it is fair to remember, could the European Greeks of later centuries. The debasement of Asiatic Hellenism was due in part to causes which affected the whole Greco-Roman world. The fact, therefore, that the Orientals did not take over the moral part of Hellenism is not by itself enough to prove their inherent unreceptiveness. For the moral part of Hellenism was never fairly brought to them.

One must, of course, admit that an intellectual habit, and, still more, concrete intellectual notions, are by their nature more easily transferable than a moral habit or qualities of will. It may, therefore, be true that the Eastern character could not in any case have taken on conformity to the Hellenic. In this matter the experiment of Hellenism seems to me to give us no light, one way or the other ; as to the capability and willingness of many Asiatic peoples to adopt the intellectual ideas of the West it seems decisive ; as to the rest, it is blank.

### III

It is, perhaps, presumptuous of me to advance into the third head of this controversy, which relates to the influence in modern times of rational civilisation upon the East. I do so with the consciousness of speaking under correction. But it may be that the discussion of the problem in its general bearings has yielded some considerations which may help us to give their right place to various pieces of evidence which come to us, and there are certain pieces of evidence to which I should like to draw attention.

There must be many people still alive whose grandfathers could remember the day when the newspapers informed the English coffee-houses of that battle in 1757, which first gave again to a European people, since the collapse of the Roman Empire, an assured footing as rulers in the interior of the Asiatic continent. And it is my impression that the English in India did not seriously set about educating their subjects in the early days of their Empire. Only some two or three generations have, therefore, felt the impact of rational civilisation in any real way, the last two or three out of the countless generations of the past. Can we yet say anything as to the result ?

The intellectual part of our civilisation, one may repeat, is in itself far more easily transferable than a moral character or qualities of will. The capability of Orientals to receive Western influence in the intellectual sphere was established by the Greco-Roman experiment. One expects, therefore, to see the effect

of our influence in the modification of Eastern beliefs before it appears in the modification of Eastern character. Have we evidence to show that this is actually occurring?

There is a body of evidence which reaches us on this head, not from academic theorists, but from some of our countrymen who live and work in the East, from the missionaries. The complaint is frequent in their lips of the immense currency and influence being obtained in the East by the works of Mr. Herbert Spencer and the late Professor Huxley. With these names I have also heard that of Zola combined. One hears, not only from missionaries, that the rationalism of the West is indeed acting like a chemical agent of vast corrosive power upon the venerable body of Eastern religion and superstition, just as it has acted upon the beliefs of the West since those days when there was no difference in these respects between West and East. For a mere traveller in the East, like the present writer, to attach great importance to his single experience would be unreasonable; but I remember the odd effect of being shown over a museum of Indian objects of worship by a native Hindu, who spoke of such things from the loftiest pinnacle of rationalism; I remember also travelling with the near relative of a native prince, distinguished for the exactitude of his public devotions, who spoke of the beliefs of his country as of things which were too absurd for discussion.

Of course, the Europeanising Hindu has been the butt of much unbecoming "chaff." It is antecedently probable that even if many Orientals assimilate the intellectual culture with which they come in contact, there will be numbers who adopt what is still more easily adopted than intellectual views, the catchwords and jargon which those views have made current. The superficial fluency of many Indians is no doubt a burden to our hard-worked administrators. But there are also instances of real assimilation. This is especially so, as we might expect, in those regions of thought which are least associated with the moral nature, in the natural sciences, and in mathematics.\* It is noteworthy that of the comparatively small body of Indian students at Cambridge, one has already been Senior Wrangler.

When we ask whether there has been any corresponding conformation of the Oriental moral character to the Western ideal, the answer, as given by those who are best qualified to speak, is a very doubtful one. We are assured by our adminis-

\* One may observe, in connection with this, the curious fact pointed out to me by my brother, Professor A. A. Bevan, that while the influence of Greek science and philosophy was so large in the East before and after the establishment of Islam, there is hardly a trace in Arabic literature of a knowledge of the Greek poets, orators, or historians.

trators both in India and in Egypt that the government could by no means be safely entrusted to native hands. The inveterate tradition of corruption and dishonesty, of the spirit of selfish gain rather than of public duty, would soon resume its immemorial sway. Nor is it fair to speak as if it were only a question of honesty. A good will is more difficult to create than an intellectual conviction ; but there is something which it is still more difficult to create than a good will—that quality which is popularly described as personal force. We have to reckon with the fact, which I think Lord Roberts states somewhere in his book, that at a pinch any native in his experience will look for initiative to the youngest British subaltern. Not in two or three generations is the character of a people changed.

It is natural that many Englishmen, who find the intellectual transformation of the East run far ahead of its moral, should be inclined to wave the former out of consideration as beneath serious regard. Their contempt is exacerbated when they find "Friends of India" demonstrating from the language held by educated natives their fitness for the task of government. "One has only to *converse* with some of them to be convinced how much larger a share in the administration they deserve," is the naïve argument one sees seriously put forward over and over again. And there are other reasons why the intellectual movement is rated lightly.

In the first place, cases frequently occur in which the rational guise is thrown off again. Sometimes, as in a well-known story of Mr. Rudyard Kipling's, the seeming sceptic is sucked back again by the vortex of a religious outbreak. Sometimes simply the removal from the sphere of rational influences leads to the renunciation of the Western habit. I think I am right in stating that an Oriental prince, whose liberalism at Oxford was of the most crying modernity, on going back to his country assumed the yellow robe of the Buddhist mendicant. Probably any resident in the East could multiply examples of a similar kind. But I think it would be heavy-witted to infer from such examples the nullity of the intellectual movement. After all, human nature being what it is, it was not to be expected that the corrosion of old beliefs would go on without the traditional instincts winning many battles over the critical reason. The same may be said of such cases as that cited in his book by Mr. Meredith Townsend, where a native, proficient in scientific astronomy, assured him that he still believed at heart that the sun was swallowed by a dragon. The extension of rationalism in Europe has known quite similar inconsistencies, and we have all heard stories of infidels who fell to praying at a thunderstorm.

In the second place, it may be said that it is only a small minority who are affected by European influences. But it may be a growing minority, and in any case its importance may be out of relation to its numbers. To say that the Oriental peasant continues indifferent to the intellectual movement is to say what might, till quite recently, have been said of nearly all the peasantry of Europe. To-day, if we had to register the advance of Europe by the standard of the lower classes in Mediterranean countries, or in Russia, where would it stand ?\* The abandonment of religion by the educated class is felt in the end throughout the community ; the religious sanctions of the lower classes are insensibly weakened.

Perhaps it is rather in the Nearer East than in India that the effects of European influence will first be conspicuous. These countries are in closer geographical connection with Europe, and are not defended, as India is, by sheer bulk. With regard to the Turks, it was recently stated as the result of his observation by Professor Margoliouth, that a revolution is being wrought in their social ideas by the agency of the French novel. Mr. Pears, one of my countrymen resident in Constantinople, writes in his recent work as follows :

Islam in the twentieth century has spent much of its original force, because doubt as to its divine origin has entered into the hearts of its ablest members. Those among them who have seen or have otherwise learned the results of Christian civilisation, instinctively, and almost unconsciously, judge the two religions by their fruits. Such men either become entirely neglectful of the ceremonious duties which their religion imposes, or, if they profess to have become more intent in their religious convictions than before, perform their ceremonies with a subconsciousness that their religion is not better than that of the unbelievers. . . . Nor do the studies in astronomy, medicine, geology, and other modern sciences fail to implant a similar and even a greater amount of scepticism in the Mahometan than they have done in the Christian mind. While visits to foreign countries and scientific studies are undertaken by few, their influence as a leaven is great.

In Egypt—the intellectual headquarters of Islam—it is well-known that the official class, under French rather than English influence, is largely unbelieving. That the religion even of the common people suffers a chill is very probable. When I was staying some years ago with an English archæologist in the

\* It was largely believed in the countryside about Nice that Queen Victoria owed the unusual vigour of her latter years to a secret practice of cannibalism. It is well known that the priesthood in Ireland is generally credited with the power of changing people into rats. We need not therefore despair if we find the masses in India believing that the plague is artfully propagated by the Government for the purposes of some religious expiation, or the Chinese believing that the missionaries kidnap children in order to make them into photographic chemicals.

desert, only one out of his large gang of workmen performed his prayers, and the rest mocked him. This struck me, since I had up till then supposed that for a man to be mocked by those who profess the same religion for performing the duties of the religion was a phenomenon peculiarly Christian.

The influence, then, of Europe would seem to be far from powerless ; it would seem alarmingly destructive. Whether in the end it will, on the whole, have done good or evil, depends, of course, on what takes the place of that which is destroyed. All that we can predict with any probability is that, for good or evil, its huge work of destruction will go on. We have let in upon the East the fierce corrosive of our rationalism, and it will work whether we will or no. A policy of dissimulation would now be not only dishonest, it would be futile. It may be a better East that will come out of the process, it may be a worse East ; but it will never, in human probability, be the same East again.

Meanwhile, there are some hopeful considerations. There is the example of Japan, which springs up to choke in the utterance any too sweeping generalisation as to the incapacity of Orientals, *qua* Orientals, to form a vigorous independent rational state. There are not only individual instances in India of natives reaching a high nobility and strength of character, but there is the experiment of native government in Mysore, which (unless we are misinformed) has been an eminent success. On facts such as these, however, the world will seek the judgment of those who have studied them at close quarters.

We may also watch with a peculiar interest the attempts to replace the doomed faiths of the East ; the work, for instance, of Christian missions, which is, even according to the non-Christian view, the attempt to introduce beliefs which, having so far subsisted in close touch with rationalism, have evinced some power of resistance to its destructive action. We shall also look intently at the attempts of the Eastern creeds on their side so to modify themselves (usually by an assimilation to Christianity) as to survive under the new forces. It is pathetic to see even a ~~country~~ so proud and unbending as that of Islam endeavour to soften and relax its iron frame in the struggle for life.

If this is the view of their work taken by our administrators in the East, it must indeed have for them a fearful and thrilling interest. It might be pleasanter to know that success was assured. But at any rate it appears to me that the dulness and dreariness which would belong to it, if it were certainly destined to be without result at all—the view I have combated—would be worse than the trembling knowledge of its gigantic issues.

Trumpeting optimism may be premature ; but pessimism would seem to me no less premature, seeing that the experiment is still in its initial stages, and the intellectual conquest was bound to be more rapid and easy than the moral reform. The event we none of us shall see. On the other hand, our descendants, looking back upon the beginnings of the process, will wish that they could see them as we do with our eyes. Think if we had as rich materials for studying the great processes of the past in their dim beginnings, in upper chambers and catacombs and nomads' huts, as they will have for this ! The writings of Mr. Rudyard Kipling and Mr. Hugh Clifford will be eagerly perused, and it may fall to them to be elucidated in those far-off days with monumental notes by a German professor.

It is well to remind ourselves how little fit the wisest of us is for the *rôle* of prophet, where the matter is so vast and the forces at work are perhaps in great part hidden. We cannot even speak of our rational civilisation as a stable entity which will continue as it is now throughout the process. How different a forecast, for instance, must be made by those who conceive of the Christianity of the West as consisting merely of the remaining lumps of the crust of primitive superstition, which the corroding reason is about to dissolve in their turn, and those who think of it as the operation of a Divine Spirit, blowing where it listeth, of which the highest reason is at once the effluence and the witness, and which is the one invincible force in the world ! And yet many who hold the one view are no less able, if judged on any neutral field, to be the exponents of Western enlightenment than any who hold the other. And a prediction either makes as to the future interaction of East and West can have value only for those who agree with them on this more fundamental question. We may perhaps say that we are becoming less able to rest in the sole sufficiency of the discursive reason than our stout Georgian forefathers. I called Western rationalism a daylight, but according to a view which has the advocacy of Professor William James, it would rather appear as the light of a bull's-eye lantern which brightly illuminates the narrow circle at our feet, but round which is every way unsoundable mystery. Some such secret discontent perhaps it is, which constitutes for Westerns the undeniable attraction, the haunting suggestiveness of the East. For ~~put~~ purposes of use, we desire a bright light upon our path, but sometimes our eyes grow tired with its untender brilliance, and are drawn to seek the twilight of the ruined East . . . the twilight, the dreams.

EDWIN BEVAN.

## THE DESIRED OF THE PEOPLE

"In one district where there are several rich, highly-educated British farmers, having a great stake in the country, and where there are none but poor and illiterate Dutchmen, I found that the Bond-appointed District Council—the Field Cornetship having become vacant—selected for this responsible post, not one of the well-to-do British gentlemen, but a Dutchman of no means, who could merely sign his name and no more."

E. F. KNIGHT, *Morning Post*, Jan. 30, 1903.

"Is it vote for Sir James? Faith, I will! Sure there's not a one in the country but's wishin' for Sir James!"

Eminently satisfactory this to the canvasser, tending even towards the encouragement of that complacent lethargy from which we are said to suffer in the West of Ireland. Why canvass for the Desired of the People?

Nevertheless, the taunts of the English Press, the spurrings of the *Irish Times* could not be ignored. This was the first election of District and County Councillors under Mr. Gerald Balfour's new Local Self-Government scheme, and loud were the exhortations to all classes and conditions to ignore party and religious differences and to work together for the good of Ireland. The landlords, and their duties under the new régime, were a topic that moved the Unionist Press to passions of eloquence, to trumpet-blasts of confident enthusiasm, to scorching threats as to the consequence of supineness. Therefore did Sir James O'Reilly, Bart.—young, well-off, intelligent, an experienced magistrate and ex-officio Poor Law guardian, a member of the now extinct Dispensary Committee, sometime High Sheriff for the County—come forward and offer for the job of District Councillor for the Division of Ardglare in the rural district of Carrigleigh, in the Barony of Coolroe.

To point out O'Reilly's fitness as a candidate was almost a work of supererogation. All his life and most of his income had been spent in the country; he knew its business as well

as he knew his own ; his "straightness" in affairs, public and private, was a by-word ; he had no axes to grind, no contract-seeking kinsmen to provide for ; had the point been raised, he could have produced a more unquestionable Irish pedigree than any elector in the district. But not this, nor any other point, was raised against him. His supporters moved from house to house with the glory of his popularity irradiating their meaner persons.

"The besht man that ever shtud in Carrigleigh !"

(To "stand in Carrigleigh" is, in the Barony of Coolroe, synonymous with existence on this planet.)

"One that'd warm our hearths, and warm our little childhren's feet !" shrieked an impassioned matron, alluding, possibly, to her unmolested depredations in O'Reilly's plantations.

The candidate himself declined to engage in a personal canvass. He sent his Address to the newspapers, and based his refusal to canvass on the irrefutable fact that if he asked his own tenants for their votes it would give his opponents the opportunity of saying that he bribed, and his supporters the disappointment of finding that he did not. The position was theoretically sound, but it was something of a counsel of perfection to his friends.

I suppose there are few who have had dealings with the farmers and labourers of the South and West of Ireland, the sovereign people in short, who have not been beguiled into some agreeable moments of optimism. Ride home from a fair with a conversational and not unreasonably drunk farmer, or spehd a summer's day punting about a lake with a fishing-rod and a soft-mannered, shrewd-eyed country boy, and you may hear views, social and religious, as open-minded and independent as need be desired.

"Sha ! what good are the priests ?" says the farmer, the string of his tongue a trifle loosed, possibly, by the last glass of porter that sanctified the sale of the cow. "Money's all they care for ! Dhraggin' dollars out o' the people. I was in Ameriky one time, an' I know that a man must pull the stone out o' the gap for himself !"

Or on the lake, in the glooming shadow of the hills, with the purple-brown water all round, and no listeners save the flies, intent on their own devilry, the soft-mannered boatman may reveal some of his opinions.

"The farmers and the priests ! God help us ! It'll be a dam bad day for the poor people when them holds the sway ! It isn't the like o' them will give us employment !"

... her harkens and hopes, and probably augurs well for the era of free thought and toleration has at length arrived, and that religious supremacy is nearing an overthrow. It is not easy to believe that these bold revolutionaries, the farmer, the boatman, and their fellows, will come to heel at the priest's whistle with but the greater speed for their essay at free thinking. In fact, many people will probably refuse to believe it. To these a study of the Irish National School system of clerical patronage might be profitably suggested; but profitable suggestions are rarely either acceptable or accepted—it is better to return to the less controversial subject of the elections.

During that brief, bright period, when I was canvassing for O'Reilly, the delusive spirit of optimism woke anew. The priests, to the frank amazement of all parties, professed a policy of silence. It was said that the word had gone forth that the people were to vote as they wished. There was to be no dictation from the altars, no pressure from the innumerable pulpits of Coolroe. The flocks of the diocese were to choose their own bell-wethers, while the shepherds stood aloof, presumably invoking Heaven's choicest blessings upon the generous, the inspired Mr. G. Balfour. In this unaccustomed absence of spiritual guidance, the electors of Carrigleigh were all for tolerance and the landlord candidate. Their preference for a gentleman, "one of the old stock," was loudly asserted. "One that had enough of his own, and wouldn't want to rob the poor people." (A course that was apparently considered inevitable for a popular representative without private means.)

Every missioner worth his salt desires to shoulder his sheaf of converts, and O'Reilly's red-hot zealots found this widespread anticipation of their message of peace and friendship decidedly stultifying. They would have lost heart altogether had not another candidate opportunely come forward in what he was pleased to call "The Nationalist Interest."

This was one Michael Lyons, proprietor of a public-house in the town of Carrigleigh, and of a large and thriving farm in its neighbourhood. (I place the public-house first as being the more valuable asset, especially in times of election.) Mr. Lyons, no less than O'Reilly, had been a Poor Law guardian (an elected one under the old system, which was in itself an assurance of solvency). In those benighted times—I speak of four years ago—elections cost money and porter, but circumstances justified a considerable initial outlay. To be a "P.L.G." conferred the right of voting for many well-paid offices under the Poor Law system, and such votes being worth anything from

£10 to £40 a year, it is obvious that the money which they could not be had for nothing. Let me, however, repeat that I speak of the time before the purification of local self-government consequent on Mr. G. Balfour's legislation. Mr. Lyons was elderly, agreeable, cunning, and the brother of two priests. In politics he was, of course, a "Nationalist," and when he eloquently advocated compulsory purchase, the wresting of the land from the English garrison and its bestowal upon its rightful native owners, he was probably quite unaware that he, in common with about half his class in many parts of the South, was the lineal descendant of one of Cromwell's troopers ; he was unpopular with the labourers, charitable to beggars, prominent in religious observances, and seldom drunk except on fair days. On the whole he was not, in the absence of active priestly support, a dangerous foe.

There came a sunny afternoon, when the polling day was drawing very near, which I decided to devote to a poor and lonely stretch of country that had not hitherto been visited by O'Reilly's partisans. It was on the outskirts of the electoral division, on the outskirts of everything, save civilisation, of which even the outermost skirt seems very remote from Irauns. The roaring Atlantic thrashes it on three sides, shredding its huge green rollers into tatters of white on the bristling barricade of rock that guards the pale fields. The south-west wind thunders over it like a conquering army. Nevertheless the Atlantic airs are often soft and always healthy ; the soil between the rocks is rich, and the peninsula is inhabited by a host of hardy small farmers and labourers, who, between fishing and early potatoes, make out a living and undoubtedly increase and multiply. From the National School, as I drove past, there surged forth a throng of children, strong and active, brilliant in colouring, with voices pitched to the very tune of the seagulls that stooped and squealed after the plough in the narrow field across the road.

I had a list of the people whose votes I was to try and secure. It was a full list, but not an informing one. Every man of the twenty voters, with but two exceptions, was called Donovan. The Christian names were scarcely more varied, being either John, Jeremiah, or Michael, with occasionally a nickname thrown in in elucidation, while the last push to the tottering intellect was supplied by the names of the "town lands" whereon the voters dwelt.

John Donovan, Lissinarua crassig. Irauns.

John ditto Moulatrahaneenbeg. ("Scortha") do.

John ditto ditto ("John Kitty") do.

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There for a long sheet of foolscap ran my list, and I had no local knowledge worth consideration to fall back on.

No wheeled vehicle less indomitable in constitution than a donkey-cart could face the minor roads of Irauns. I bade what seemed likely to be a long farewell to my outside car and driver and took to the bohireens. I have seldom encountered worse. High banks plumed with yellow blossomed furze-bushes, blind with briars like barbed-wire, hemmed in a deep, narrow trough of mud, wherein rounded and insecure boulders masqueraded as stepping-stones in order to tempt the wayfarer to destruction. Presently hard breathing, combined with the paddling sound of a pack of hounds at road work on a rainy day, made me look round. The "little scholars" of the National School were on my track. The hard breathing, the sniffs and the whispering drew closer to my heels. I felt a hundred eyes in the small of my back ; like the curate in the *Sorcerer*, when I coughed half a parish trembled, and when—as frequently happened—I staggered on a rolling boulder, the "sensation" astern was electrical.

The lane, like most lanes, turned at last and gave up existence as a thoroughfare on a bare and rocky bit of open ground. Below lay a narrow cove, filled to the brim with the western sunlight ; the cliffs all round were golden with gorse. On a grey and pebbly strand small waves were flashing and breaking. A few heavy-looking boats were hauled up above the high-water line of brown seaweed ; bare-legged babies played, shrieking and squabbling like young birds, down at the sea's edge ; a black and white dog pranced in the surf and barked at them. On the farther side of the cove about half a dozen small cottages, looking as if they had been cast out of a dice-box, stood about at every possible angle to one another. I turned upon my escort and asked if this were Killeenaspigmillane.

Speechless confusion in the front rank, faint squeals of laughter from the rear. The exhibition of sixpence inspired confidence ; and a little girl with eyes as round and as blue-green as those of a Persian kitten, uncovered her mouth from the "shawleen" that she wore over her head, and whispered : " 'Tis not, Sir ! 'Tis Moulatrahaneenbeg."

I consulted my list. "John Kitty," resided at M., &c.

"You'll get sixpence if you show me where is John Kitty's house," said I.

Thus was a guide secured, and sixpence was never better invested.

John Kitty's house was about the centre of the colony. My guide (whose name I ascertained to be "Marymargaretdondvan,"

in one swift breath) flitted in front of me round ricks of turf, mounds of turnips, and low stacks of hay ; past pigstytes that proved to be houses, and houses that ought to have been pigstytes, and waited for me in front of the cottage we sought, on the hither side of a moat composed of black liquid manure. About four immense stones rose from its depths, and it ceased at the walls of the cottage. Marymargaret skipped across the stones, and dislodging the geese who were resting upon the high doorstep, went into the house. In a moment or two a tall woman, with a broad, good-natured face and bare flat feet, feet that had lost their shape staggering over bad ground under heavy loads, appeared, and asked me to come in. I crossed the awful moat, not without anxiety, and went into the house. It was reasonably clean. The earth floor was dry and well swept ; the cups and saucers on the dresser twinkled respectably. A few hens lounged about near the fire ; from beneath the table under the 18-inch square of window a string of growls and a yellow tail with a white tip to it bespoke the presence of the usual cur-dog, whose mission is to keep at bay the fox and the fairies. I sat down on a well-polished chair and took up my parable.

" Himself's inside," said Mrs. John Kitty. " I'll bring him out for ye."

Himself, who, it appeared, was mending a net in the bedroom, was a stout, elderly man, black-eyed, black-muzzled, silent, suspicious.

" He haven't much English," said his wife, and entered upon a prolonged explanatory gabble in Irish. John Kitty's sunken eyes scanned me with increasing severity. Then he gurgled a guttural or two. I caught the word "soggarth."

" He says he should ask the priest," translated his wife.

I explained that the priests had decided to leave the choice to the people, and that Sir James O'Reilly——

" Sure we know Sir James well," interrupted Mrs. Donovan. " He's very good—wasn't it he got me son into the hospital at E——?"

The canvasser's response to this opening is obvious and need not be set down ; it was volubly rendered into Irish.

A few more unintelligible growls were the result, and John Kitty moved doggedly towards the bedroom again.

" He says he'll have no thruck with it," said his wife. " He says he should do what the priest'll tell him and nothing else."

Marymargaret and I retired.

Three more voters were yielded up by the settlement, all Donovans. The first of them, John Donovan, identified as

"Scortha," appeared to be of any age not under thirty. A daughter-in-law transacted the business.

"Sure he's too owd entirely," she said in loud and cheerful tones.

"I am—I am," acquiesced Scortha, not without pride.

"He'll die soon now," pursued the daughter-in law, jovially.

("Ah-ha ! an' I will too !" cut in Scortha, approvingly.)

"——what call have the like o' him to go voting to Carrigleigh ?"

I abandoned Scortha.

My next client (Jeremiah, by way of a change) was also well stricken in years, but was nevertheless brilliantly abreast of the times and posted in the facts of the elections. He professed devoted attachment to the house of O'Reilly.

"I know him well, an' I knew his father before him ! An honourable gentleman ! One that'd perjure his soul to save another man from the gallows !"

Emboldened by this commendation I pressed Jeremiah for his vote.

"And why not ?" answered Jeremiah with enthusiasm, " why wouldn't I vote for him ? I'd love his bones !"

"Excellent Jeremiah ! We parted effusively, having made an affectionate assignation for the polling booth at the National Schoolhouse on the following Tuesday, the election day.

From this point onward my career in Irauns was one of unbroken success. Jeremiah, planted high like a heraldic cock upon the ancestral dunghill, crowed forth to the neighbourhood a shrill appreciation of the mission and of its missionary. The affair merged into a triumphal procession, as each household visited joined itself to my suite. By the time I regained the main road every vote in Irauns, with but two exceptions, had been promised to O'Reilly.

The elections of 1899 are very ancient history now. A few people who still remember their various incidents hold, possibly on quite sufficient grounds, to the belief that had the voters been left to their own uninstructed devices, they would, in most of the rural districts at all events, have elected the candidates of a different creed, a different political faith—if indeed Irauns and such places can be accused of a political faith—from their own. They promised their votes, often unasked, always with enthusiasm, to the representatives of the landlords, and that the promises were the outcome of genuine confidence a hundred incidents of daily life testify. If a Western or a Southern peasant is in difficulties, illness, or poverty ; if he has a 'horse

to sell, if he wants to get work for himself or children, it is still to the landlord that he goes, to one of the chiselers whom, by his priest's directions, he has stripped all civic authority in order to place it in the hands of those whom he most thoroughly distrusts, the "strong farmers," and the public-house politicians of the small towns. The Education Bill has inspired much burning eloquence on the injustice of "Taxation without Representation." There is a wide Irish province where the Protestant gentlemen, farmers, and shopkeepers cannot command one vote in disposition of the taxation, the greater share of which they contribute.

I am dealing now, however, with but one small and insignificant, if typical, election, and have to set down the humiliating fact that with all the zeal of Sir James O'Reilly's friends, and in the teeth of all the solemn promises that their note-books blithely recorded, our candidate, out of some three hundred votes, received but sixty—a number that represented with tolerable exactness the strength of the Protestant element in the voting area.

The method of our opponents was even egregiously simple. The word went quietly forth among the authorities, as a leading Nationalist M.P. revealed in the *Morning Post* not long ago, that no gentleman was to be elected. He might have added no Protestant. There was no rival eloquence, scarcely even a meeting; the canvassing indulged in was of the most perfunctory nature. There was, indeed, no occasion for wasting such powder and shot. What happened was that on the Sunday before the elections, in every Roman Catholic chapel of the diocese, the name of the man who was to be elected was announced from the altar. In one parish, it is said, some voters urged a conscientious objection to breaking a promise (such was the hair-splitting excuse for insubordination).

"That promise was of the nature of an unrighteous oath," replied their priest, "and I therefore absolve you of it."

There was yet another story of contumacious voters who asserted a right to vote as they pleased. The Church took her own measures. Is not Father O'Flynn noted for "*coaxing the lazy ones on with the stick?*"

This Father O'Flynn put out the altar candles. He undertook to mention the voters by name to his spiritual confederates, the Powers behind the Altar. There is a stick, unrivalled in its gifts of coaxing, known as Excommunication.

Those voters yielded the question, and I think most people in their position would do well to do the same.

Now, looking back, it is difficult to repress a regret that

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Mr. G. Balfour did not simplify the carrying out of his measure by directly placing the nomination of the People's Representatives in the capable hands of the Bishops of the Roman Church. It would have been a distinction, a religious distinction, without a difference, and it would have saved some optimistic dreamers a disagreeable shock. On the other hand, it might have involved a serious loss to that favoured and ever-increasing body, the village publicans of the South of Ireland.

Thus did Michael Lyons enter into his kingdom. It happens that among his subjects are an unusual number of cultured and wealthy people. It is gratifying for them to meet their representative returning from a fair, and to watch, as the Angel watched the difference of opinion between Balaam and his ass, his drunken conflicts with his horse as to the way home. Only that the Angel, if I remember rightly, had the last word ; a privilege wholly denied to Mr. Lyons' constituents. It is satisfactory for those keen on introducing some slight measure of sanitary reform, to see their representative's farmyard a seething swamp of manure heaps, to which the backdoor of his house gives immediate and pleasing access ; the geese sit and wash themselves in the well from which the Ladies of Lyons draw the limited supply of water used in the house ; they are probably the only creatures of the councillor's entourage who indulge in the vanity of regular ablutions ; the predatory pig shoves her way through the press of poultry to the front door and firmly takes her place in the social life of the kitchen ; the dairy has a door into the bedroom and a window into the farmyard.

Is it any wonder that with such arbiters as Mr. Lyons Sanitary Reform is non-existent ? The District Nurse, when there is one, is chosen for her religion, the Dispensary Doctor for his politics. There are districts where typhus and scarlet fever are endemic, bred and nourished in manure pits at every cottage door. They break forth with rhythmic regularity every third spring when the more intensive nourishment of the lower strata of their breeding-grounds is demanded by the "gardens" of early potatoes. In Mr. Lyons' district there happens to be an efficient and much thwarted Health Officer. He denounces in vain ; in vain draws up schemes of sanitation and reform. Every householder stands firmly by what may perhaps be called his manorial rights, and every Councillor, with a sympathetic thought of his own farmyard, marks the document as "read" (i.e., done with) and passes on to more congenial themes, denunciation of British Barbarity to the Boers, congratulations to a Member of Parliament on release from incar-

ceration under the Coercion Act, or a discussion as to the amount of increase of salary to be given to the Roman Catholic chaplain of the workhouse to compensate him for having to attend the funerals of his pauper flock. (In country parishes, it should be said, it is not unusual to see burials take place without any religious service, in cases where the people are too poor to pay for one ; the usual charge at a working farmer's funeral is £10 a priest, and £40 or £50 worth of clergy is not an infrequent luxury at the funeral of a "strong farmer.")

Of the administration of the workhouses, and specially of their hospitals, under the new *régime*, much might be said, so much indeed that I hesitate to touch on it now. The substitution of nuns for professional nurses, the distribution of outdoor relief, the principles that govern the acceptance of contracts for roads ("Blood is thicker than Waterworks"—"A brother sticks closer than mud")—all these things might be enlarged upon, and comparisons instituted with the state of things under the old *régime*. But "I came to bury Cæsar," *i.e.*, the landlord representative, "not to praise him."

I can leave the task of praising him to the people who so unanimously elected Mr. Lyons.

"But if you're so fond of Sir James, and if none of you wanted Lyons to get in, I can't for the life of me see why he was elected ?" said a defeated canvasser, not without irritation, to an elector.

"No," said the elector, "nor ye didn't see the cheque he gave the priest."

A LOOKER-ON.

## SOME EARLY IMPRESSIONS

I HAVE been asked occasionally to join the great army of reminiscence writers : and I have indisputably one qualification for the function. I have passed the line at which retrospection has to take the place once filled by anticipation. If I can expect little from the future, I must remind myself that, as the poet undeniably observes :

Not heaven itself upon the past has power.  
But what has been has been ; and I have had my hour.

Old happiness remembered is still an inestimable treasure ; it may, even if forgotten, have left us the happier by softening and mellowing our characters : but alas ! if heaven cannot destroy the past, heaven—or some other power—has a turn for obliterating the memory. Any one who, like me, has had much to do with biography, must have been painfully impressed by the singular rapidity with which its materials vanish. Again and again I have had to lament the fact. Not long ago it became my duty to collect anecdotes of a friend who died young enough to leave many surviving contemporaries deeply attached to his memory. He had been famous, among other things, for his conversational charm ; for a rare power of embodying subtle thought in quaint humour, which made his good sayings part of the intellectual currency of his acquaintance. But when one tried to collect the phrases, the process was like trying to speak to a friend seen distinctly but through a closed window. And the experience, though painful, was normal. A vague general impression remains of some brilliant passages of talk ; but the specific instances are forgotten ; or even if remembered, have lost the context which gave them point. Boswell is still unique. No one has inherited his capacity for the dexterous touches which reproduce the dramatic effect as well as the bare words. I must confess, too, that my memory for facts is treacherous. I can picture vividly a certain passage in my own life which, I may add, was of a distinctly creditable kind. The discovery of a

contemporary document not long ago proved to me that my motives had been materially different from what I imagined—and decidedly less admirable. The authentic history which I supposed myself to remember was a pretty little romance which I had unconsciously composed by a judicious manipulation of partial recollections. The disillusioning document has itself disappeared and I have forgotten its contents. All that I know is that my story of my own conduct is a misrepresentation. Clearly I am not qualified for autobiography, nor, to say the truth, do I regret the circumstance. I have no reason to think that the story of my "inner life" would be in the least interesting, and were it interesting, I should still prefer to keep it to myself. When, therefore, I summon up remembrance of things past, I am forced to confess that my little panorama is full of gaps, often blurred and faded, and too probably distorted in detail. Yet I preserve a good many tolerably vivid impressions of the people among whom I have lived, and of the general influences which they have exerted upon me. Some of these may be worth a record. If my confession implies that they must be taken with a certain reserve, an impression is in its way a fact.

Among the most distinct are those left by fourteen years' residence at Cambridge. To me, as I suppose to most men who, as weakly children, were cut off from much active share in school life, the period in which I first called myself a man, and became conscious of an independent individuality, stands out with especial vividness. The world was so interesting then. Perhaps it is for that reason that I cherish a strong affection for the University, and even for its material surroundings. I love the sleepy river—"canal" or even ditch as scoffers may call it—which glides past the old college gardens on its way to wriggle through the broad level of the fens and to girdle the venerable pile of Ely. Have I not run along its banks exhorting our college boat for as many miles as would have taken me to the Mississippi and back? Not even the Alpine scenery is dearer to me. The local sentiment is somehow bound up with the superstitions which thrive in the region; and I absorbed them pretty thoroughly. I believed in the Cambridge ideals. To me, for example, "senior wrangler" is still a title exciting an almost superstitious veneration. I have, in later days, been able to speak to poets and philosophers, to statesmen, and even to bishops, without actual collapse. But when in company with a senior wrangler I am conscious of being formed of inferior clay. Had I belonged to the sister University, a similar fusion of associations would perhaps be more generally intelligible. I need only

appeal to Matthew Arnold. A man must be dull indeed who could be insensible to the charm of the group of towers which rises above the Isis and of the scenery whose spirit informs the inimitable "Scholar Gipsy." Every one must admit that the region is a fitting shrine for the genius of the place—for that devotion to "lost causes" and "impossible loyalties" upon which Arnold dwelt with such loving eloquence. As the Isis to the Cam so, it may be held, is Oxford to Cambridge. It is the contrast between romance and the picturesque on one side and humdrum prose and the monotonous levels on the other. We boast, indeed, of our poets at Cambridge; but if, for some mysterious reason, we have been more prolific in poets than Oxford, it is hardly because we have provided them with a more congenial atmosphere. They thrive best, perhaps, in a bracing climate. A Cambridge career induced Coleridge to become a heavy dragoon; Byron kept a bear to set a model of manners to the dons of his day; and the one service which the place did for Wordsworth was to enable him for once in his life to drink a little more than was consistent with perfect command of his legs. Cambridge has for the last three centuries inclined to the less romantic side of things. It was for Puritans against the Cavaliers, for Whigs against Jacobites, and down to my time was favoured by "Evangelicals" and the good "high and dry" school which shuddered at the development of the "Oxford Movement." We could boast of no Newman, nor of men who, like Froude and Pattison, submitted for a time to the fascination of his genius and only broke from it with a wrench which permanently affected his mental equilibrium. "I have never known a Cambridge man," as a reverent disciple of the prophet lately said to me, "who could appreciate Newman." Our version of the remark was slightly different. We held that our common sense enabled us to appreciate him only too thoroughly by the dry light of reason and to resist the illusions of romantic sentiment. That indeed was the merit of Cambridge in the eyes of those who were responsible for my education. To have sent me to Oxford would have been to risk the contamination of what was then called "Puseyism." I escaped that danger pretty completely. My family—as this indicates—belonged to the second generation of the so-called "Clapham Sect"; the "Saints" as they were called by way of insult; the men who swore by Wilberforce and fancied that they had accumulated a capital of merit by the anti-slavery crusade which entitled them for the future to live upon credit. They were, said their enemies, effete Puritans, as morose as their ancestors, but without the

dignity of still militant fanaticism ; Pharisees who hated innocent and artistic pleasure but found consolation in solid material comfort, blinded adherents of a dogmatic system which had long ceased to represent intellectual advance. I will not argue ~~as~~ to the justice of this accusation against the sect in general. I am content to say that though my childish reverence for certain members of the sect was necessarily of the instinctive variety, it does not seem misplaced to my later judgment. I have met no men in later years who seem to me to have had a higher sense of duty or deeper domestic affections. If they had obvious limitations, believed too implicitly in Noah's ark, and used language about the "scheme of Salvation" which does not commend itself to me, they impressed me (very unintentionally) with the conviction that a man may be incomparably better than the creed which he honestly takes himself to believe. The essential Puritan may survive, as the case of Carlyle sufficiently showed, when all his dogmas have evaporated ; and I confess that, rightly or wrongly, he is a person for whom I have profound respect and much sympathy. At Cambridge, however, by my time the epithet "Evangelical" generally connoted contempt. The "Oxford Movement" might be altogether mistaken, but we agreed with it that the old "low church" position had become untenable. At Cambridge we rather shrank from all vagaries whether of the high or low church. Our state, an adversary might say, was not the more gracious. If the Oxford school represented "reaction," it was at least, as Arnold put it, not of the Philistine variety. A mistaken or impossible idealism is better than the mere stolid indifference which chokes all speculative activity. To the radical meanwhile the two universities represented two slightly different forms of obstructiveness. They were simply Anglican seminaries ; bulwarks of the establishment which was an essential part of the great conservative fortress ; mediæval in their constitution and altogether behind the age in their teaching. My undergraduate career fell at a period when such criticisms were about to lead to a practical result. A Parliamentary commission began to overhaul us soon afterwards and initiated a process of reconstruction which has been going on ever since. Staunch Conservatives at that time prophesied fearful results. The English were to sink to the level of foreign universities : an awful descent ! They were to be "Germanised" —to be contaminated by "neology," whatever these appalling phrases might mean, generally to be trimmed and clipped, in conformity with the fads of "damned intellectuals." In fact, the universities had somehow worked out a system which had become so thoroughly familiar to their own members and so consistently

elaborated as to have the character of a natural organism, while to the outsider it appeared to be radically illogical and grotesque.

One essential point was, one may say broadly, that Oxford and Cambridge were, properly speaking, not universities at all but federated groups of colleges. Each of the seventeen colleges on the banks of the Cam was an independent corporation governed by statutes imposed by the founders, perhaps, as in the case of my own college, by a founder who had died five hundred years before. Corporations, it is known, have no souls and very little conscience. The reformer might prove with the help of Adam Smith that they do more harm than good. It is a plausible opinion that Henry VIII. would have done a service to education if he had swept the colleges away with the monasteries. To the staunch Tory, however, the modern reformer was as sacrilegious as the old king. The accepted theory embodied what may seem to be an odd inversion of ideas. The colleges had been founded in order to promote education. The practice which had grown up would rather correspond to the theory that education was useful to promote the welfare of the colleges. A main and often the sole aim of a clever student was to become a fellow of a college, and if he acquired some intellectual training in the process, that was rather an incidental advantage than the ultimate justification of the system. The so-called university meant simply a loose federation such as was consistent with the acceptance of a thoroughgoing doctrine of "state-rights." Its main function was to provide boards of examiners, which tested the fitness of candidates for fellowships. It followed, again, that the colleges were not co-operative so much as competitive bodies. They did not distribute among themselves different educational functions, but each accepted the same test for admission to its privileges. In Cambridge, we were content with the two old "triposes" by which alone intellectual excellence was measured. We were, it might seem, so dominated by the great names of Newton and Bentley that any branch of study except mathematics or classical scholarship seemed inconceivable. To teach a youth philosophy would be to train him in talking humbug ; and history or the physical sciences meant mere cramming with facts. The outsider might urge that the course was strangely narrow and that the university was nothing but a continued high school. Perhaps he might fancy that a little Germanising would do no harm.

Certainly we needed reform ; and if change means reform, as I hope it does in this case, we have certainly got it. But the question occurs, Why did I love the place in spite of its admitted

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shortcomings? Was my conscience seared? Were not the colleges mere nests of abuses? The name "don" may suggest visions of the indolent bigoted dullards who suggested Gray and Gibbon and Adam Smith, or the pedants whose ignorance of the world provoked the scorn of Chesterfield in the eighteenth century. Skill in writing Latin verses and solving mathematical conundrums may be compatible with intellectual torpor and devotion to port wine. When I search my memory, I can turn out a story or two to suggest that the type was not quite extinct. The peculiar position of a college fellow, for example, had its temptations. He held his post during celibacy, and after a time naturally began to feel yearnings for a domestic hearth of his own. That meant that he could not adopt teaching as a career for life, but as a stepping-stone to something else. The "something else" was normally a college living. After a few years spent in lecturing, he could become a country parson and try how far his knowledge of the Greek drama or the planetary theory would qualify him to edify the agricultural labourer. Meanwhile waiting for a vacancy was at times demoralising. The best living of one of the colleges was held by an old gentleman, who had been described in a book of reminiscences as a specimen of the low moral standard prevalent at the end of the eighteenth century. He had the conscience to be still alive when the book appeared in the middle of the nineteenth. Meanwhile expectant successors would pay him visits and find the old cynic smoking in his kitchen and unblushingly proclaiming his intention of prolonging his existence indefinitely. They could not bear it; and the last of them, a man whom I remember, sought consolation in the resources of the college cellar. A catastrophe followed. One day the fellow came to the college hall, not only in a state of partial sobriety but with a disreputable companion who had hung about Cambridge levying contributions on some vague pretence of being a political refugee. Finding himself in respectable society, the disreputable person suddenly arose and proposed the health of the great John Bright. In those days he might as well have proposed Beelzebub. An explosion followed. The scandal was beyond concealment; the fellow was requested to leave Cambridge, and soon afterwards fell into a canal after dinner and was drowned. A week or two later, the living for which he had been waiting became vacant, by the death of the old incumbent, and had the fellow held out a week or two longer he might have succeeded to the pastoral guidance of that bit of Arcadia. This anecdote, I must add emphatically, represents the rare exception; few of us took to drink; though now and then

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might be soured and become a crabbed, eccentric cynic of the ancient type.

The normal result, however, was that the official tutors were not troubled by any excess of zeal or hankering after the ideal ends of a university. They often did their duty honestly enough, but with a sense that it was not the duty of a life. As teachers, they were therefore eclipsed by the private tutors or "coaches" who did the real work of preparing for examinations. The university professoriate had become still more emphatically a superfluity. It included, indeed, several men of real distinction, but they could rarely gather an audience. Nobody, for example, cared to study modern history. Professor Smyth, who died just before my time, though chiefly remembered as the tutor of Sheridan's son, wrote some very able lectures upon the French Revolution. One of them (they were repeated annually) always drew an audience, because it was known from previous experience that in the course of it he would burst into tears upon mentioning the melancholy fate of Marie Antoinette. That was a spectacle worth taking some trouble to witness. But speaking generally, if all the professorships had been abolished, no difference would have been perceived by the ordinary student. If the ideal university supposes a body of professors devoted to the extension of knowledge and of students accepting them as guides into the promised land of science and philosophy, we were certainly far enough from its realisation. The most striking illustration of another peculiarity of the system of those days is given in the curious memoirs of Mark Pattison—a man whose devotion to thorough scholarship and the cause of rational inquiry fully redeemed certain obvious weaknesses. He was fretting at this time under the oppressive spirit of the old Oxford atmosphere. He had come to hold that Newman, who had for a time attracted him, represented mere obscurantism and obsolete theological dogma; and was hoping that the reaction which followed Newman's secession would favour his own ambition to carry out desirable reforms. His own election to the headship of his college would enable him to initiate a change for the better. The catastrophe which followed not only vexed him but, by his own account, altogether demoralised him for years. The headship of a college was then a most delightful position; it meant a good income, a comfortable house, and, if desired, a wife; and, moreover, it depended solely on the conscience of the holder whether it should, or should not be treated as a sinecure. In Cambridge, more, I believe, than in Oxford, it was taken to be a kind of haven of dignified repose: and the fellows

who were elected to it sometimes found the trial too much for their virtue. Pattison, who sincerely desired the post with a view to active reform, found that the other electors were not only totally indifferent or rather hostile to his schemes, but capable of opposing him by the meanest intrigues. They detached one of his supporters, in spite of an explicit promise, by treachery worthy of the most corrupt political wire-pulling : and he thought himself justified, as he explains, in taking revenge by a counterplot. He punished his opponents by securing the election of a man whom he describes as a "ruffian" and a "satyr." The morality of the proceeding seems questionable in spite of Pattison's casuistry, but if certain scandals current in my time were well founded the case was not exceptional ; or exceptional only as far as an election to a mastership rarely involved any question about reform. It was frankly decided, as a rule, by personal interests, and though I do not think that any of our masters could be described as "satyrs," they were men whose chief merit might be that their election vacated a college living and who were fully content to be mildly respectable rulers of the King Log variety. Their juniors often regarded them as contemptible old fogies. "Our master," I remember a fellow saying, "is intellectually an idiot, socially a snob, and physically dirty ; but otherwise unobjectionable." But the post was so comfortable that even reformers scarcely proposed to spoil it by imposing active duties on the holders. We despised them, but could not deny that it would be very pleasant to succeed them in our own days of fogydom.

Perhaps I have said enough to confirm the suggestion that we were a nest of abuses. I must disavow the conclusion. The system implied a distorted conception of the true function of a university, but, given the conception, it was carried out with abundance of energy and public spirit. The mischief was the "topsy-turvy" theory which subordinated education or the promotion of intellectual activity to the interests of the corporate bodies. The pivot of the whole system had come to be the distribution of fellowships as the prizes for competition. That was carried out with perfect honesty. The elections were invariably conducted with absolute fairness. I never heard even a suspicion that the successful candidate was not the best man or elected for any reason but his merits. The endowments intended to help students had become the prizes for which study was pursued. Education was expensive because (among other causes) the competition led to the substitution of private for official tutors. The complex machinery was worked for ends

which ought to have been subordinate. Still its working implied a thorough spirit of fair play and hearty respect for really energetic labour ; and these are not bad things in their way. I can best illustrate the point by an instance or two. I have spoken of my veneration for senior wranglers. The concrete embodiment of the genus for me was Isaac Todhunter. He was a striking case of a man designing a scheme of life and carrying it out systematically. When I was his pupil he was beginning to execute it by living the life of an ascetic recluse. His chief room in St. John's College was devoted to his pupils and furnished only with benches and tables at which we were always scribbling our lucubrations. Two little closets opened out of it, one his bedroom, the other the den where he examined our work. A table and a couple of chairs were the only furniture of the den, and the walls were covered with books, each in a brown paper cover inscribed in exquisite handwriting with the title. The little man with his large head and delicate little hands always reminded me of a mouse, dressed in superlatively neat though certainly not fashionable costume. He laboured from morning till night, taking indeed an hour's constitutional round the so-called "parallelogram" of footpaths—an essential part of our Cambridge habits—and spending another hour or so upon his dinner in the college hall at four. The rest of the day was devoted to the unremitting labours of teaching and of writing very successful text-books. Some fifteen years of such work enabled him to carry out the plan of life upon which he had resolved. He had saved money enough to give up the drudgery of teaching, married, and wrote books for the learned upon the history of mathematics. Of their merits I cannot speak ; but the man impressed me mightily. I came to know in later days that, besides being of most amiable and simple character, he had many accomplishments outside his special branch of knowledge. But to me he represented the stern deity Mathesis ; an embodied "categorical imperative," appealing to my conscience. I can still hear his regular adjuration, "Push on," which showed, I feared, too great a superiority to the frailty of the average youth. The flesh resisted and to this day I have a personal dislike to the harvest moon—one of the phenomena which he pressed upon my attention and which I found hopelessly uninteresting. It was no fault of his if I gave three years to a study for which I had a very moderate aptitude. Perhaps it did me some good—at least by teaching me respect for abilities and energies to which I could make no pretence. One may fancy one's self to be a philosopher or a poet without much ground for

it, but a mathematician gives such palpable proofs of his superiority that one can have no illusions as to one's own talents. Cambridge, too, though the senior wrangler element was dominant, included other influences. Our most conspicuous representative in those days was the great Whewell—then Master of Trinity—"Science his forte and omniscience his foible"—according to Sydney Smith's phrase, which has perhaps become his most lasting monument. There were indeed no limits to his intellectual appetite. His writings treat of philosophy, ethics, political economy, mathematics, and the inductive sciences in general, besides church architecture and German literature, and even include respectable experiments in English verse. He was our greatest man—the one resident whose fame was understood to have spread through England and even Europe. He looked the character. He was a man of splendid physique; tall, powerful, and with a brow worthy of an intellectual gladiator. He was the son of a Lancashire tradesman, and might have been taken as a promising champion had he stepped into the ring of a north country wrestling match. I recall him as I once saw him stalking through a howling mob at an election and apparently capable of knocking half a dozen of their heads together. He was said, not without some ground, to be rough and overbearing; and his early training had not given him the urbanity which makes a man to assume dignity without stiffness bordering on insolence. There is, I fancy, a slight reminiscence of him in Thackeray's Dr. Crump in the *Snob Papers*. But he was thoroughly magnanimous, a fair fighter, and incapable of petty spite; not only, as I have good reason for knowing, a man of very warm affections, but also capable of most generous consideration for his subordinates. By my time we had forgiven the roughness and were heartily proud of the man. For over fifty years he had been identified with Trinity. On his deathbed he had himself raised to take a last look at the great court, the most imposing of college quadrangles. Since Bentley had stalked in stately predominance through the same court, no one had been so impressive a ruler. His love for the place was shown by munificent benefactions and the foundation of a professorship which was to be specially devoted to the cause of promoting internal peace. Eminent men have held it—and it is hardly their fault if that cause has not been very perceptibly advanced by their labours.

Whewell, though a Conservative, did more than any one to introduce new studies to the university. His fame has declined, partly because the advance of science has inevitably made his chief book antiquated; while philosophy, if it has not advanced.

at least deserted his position. A philosopher who would youth must clothe his doctrine in the last new fashion. Maxwell had not that charm ; and the shortcoming, if it were one, made him the more representative of Cambridge.

At this point I feel that I may naturally be expected to speak of some spiritual guide who pointed to the promised land. I should acknowledge a debt of gratitude to some Carlyle or Emerson or Newman, who roused my slumbering intellect and convinced me that I had a soul. It was, however, one of the great advantages of Cambridge that there ~~was~~ no such person in the place. Spiritual guides are very impressive but sometimes very mischievous persons. Prostration before a prophet is enfeebling. Bagehot points out the evil results upon his friend Clough of that most admirable person Dr. Arnold. Arnold's pupils suffered from an excess of moral earnestness : they were liable to a hypertrophy of the conscience and took life too seriously at starting. They became prigs or their early enthusiasm gave way to cynicism as their illusions came into rough conflict with later experience. Our prosaic Cambridge spirit was free from that evil. Our teachers preached common sense, and common sense said, Stick to your triposes, grind at your mill, and don't set the universe in order till you have taken your bachelor's degree. The advantage, I admit, would have been questionable had it meant suppression of thought—a rigid confinement of the simple intellectual vision within the blinkers imposed by the ambition for success in examinations. But the practical working was different. Clever young men will be interested in the questions of the day. We talked what we took for philosophy and politics and literature eagerly enough ; and our discussions had the additional zest of being more or less trespasses into forbidden ground and often involving a certain neglect of our duties. We made orations at the Union Debating Society ; but admitted to ourselves, though we did not perhaps state in public, that we were very young and not competent to instruct the nation at large. A society to which I looked up with special reverence was the so-called "Apostles"—of which Maurice and Tennyson and Arthur Hallam with other brilliant contemporaries had been the founders and first members. In my day, its most famous member was Clerk Maxwell, the great physicist, whose mathematical genius was already recognised. He was a fascinating object to me : propounding quaint paradoxes in a broad Scottish accent ; capable of writing humorous lampoons upon the dons ; and turning his knowledge of dynamics to account by contriving new varieties of "headers" into the Cam. I had not the

## SOME EARLY MEMORIES

of any close acquaintance and felt myself unworthy of so high a distinction. Daily, however, I understood, for the society shrouded itself in mystery, that he and a small knot of geniuses (there was another member or two whom, in those days, ~~were~~ to be specimens of the class) met weekly to discuss the profoundest problems. Henry Sidgwick, who became a member a little later, has declared that to such discussions he owed a greater intellectual debt than to any other of the influences of his youth. I even once fostered, though not too presumptuously, the hope that I might myself become a member. My claims, alas! if they were considered, were not considered to be sufficient; and I only felt elevated by the consciousness that I was at least a contemporary of great rising luminaries. My own intellectual ambition was satisfied by an effort or two before the more popular audience of the Union. There I can only remember that—for some mysterious reason, perhaps because my father had been in the Colonial Office—I delivered an oration upon the affairs of Cape Colony. I do not remember that my hearers were deeply moved, though my views, if adopted, would have prevented the Boer War. There, too, I heard the present Sir William Harcourt indulge in a scathing impeachment of some unfortunate official. When one of my elders asiled me soon afterwards who was the coming man among the young men of the day, I replied emphatically that Harcourt was the man; but what crimes that official had committed, or whether he was permanently crushed, or, like Warren Hastings, survived the exposure, is more than I can tell.

I mention these shadowy memories to show that our intellects were not confined within the prescribed studies. Sir Walter Besant, in his autobiography, describes his own experience during my time and seems to me to exaggerate our backwardness. Besant says, for example, that he heard nothing of Browning or Thackeray. I certainly heard of both; and one of the most thorough Thackerayans of my acquaintance was a fellow of Besant's own college—which shows that one man's experiences are not conclusive. Yet in Christ's College, to which Besant belonged, he was a friend of Seeley and Calverley—certainly among the most brilliant writers of their generation; and the famous examination in Pickwick set by Calverley proves that their enthusiasm was not confined to classical literature. Happily for us, the doctrine that English language and literature should be made a part of our education had not yet been established. We read what we liked and because we liked it—~~the~~ kind of reading that is of much use according to

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imperfection. An examination in *Pickwick* might now, I fear, taken seriously and compulsory cramming might conceivably make even *Pickwick* more or less repulsive. We had our enthusiasts for Dickens, who had fierce encounters with the partisans of Thackeray.\* *Vanity Fair* was the first book I ever bought for myself and it had devotees who could say in how many places Sedley was misprinted for Osborne. There was another sect professing Bronté-mania; Tennyson of course was known by heart up to date; and Browning was just dawning upon us. I read *Pippa Passes* at least, and felt its charm, though not without some bewilderment, and happily did not break my shins over *Sordello*. There was no want of literary interest among our seniors. At Trinity, beneath the majestic Whewell, there was a group of able scholars. Among them was the dignified Thompson (Whewell's successor), great on Plato and the appreciative friend and college contemporary of Tennyson and Thackeray and Edward Fitzgerald, who once a term elaborated some stinging epigram to sharpen our wits; and Munro, the editor of *Lucretius*, lover of old English authors, and the embodiment of simple good fellowship; and W. G. Clark, one of the editors of the *Cambridge Shakespeare*, who left a permanent record of his tastes by founding a lectureship in English literature; and the librarian, Brimley, who died prematurely after writing (among other things) an article of which Tennyson was reported to have said: "That is the way in which I like to be criticised." The criticism, it is superfluous to say, was the reverse of the "this will never do" variety. It appeared in the long-lived *Cambridge Essays*—an attempt to found a new Quarterly in conjunction with a similar volume from Oxford; which, if I am not mistaken, failed, like some other periodicals, chiefly because it counted upon too high a standard of public taste.

There was another literary centre at Cambridge which had its influences. Daniel Macmillan (whom I just remember) and his brother Alexander were already conducting the business which rose to eminence under Alexander's later management. In the modest shop of those days, and still more in a smoking-room at the back, I felt that I was really entering the inner shrine of a literary workshop. There I was thrilled by meeting a live lady novelist and an actual editor, to whom I ought to have been grateful—perhaps I was—for rejecting my first attempt at an article. Alexander Macmillan himself was one of the publishers to whom I owe it that I have never been tempted to adopt the conventional author's view of his enemy. It is needless to say that he was a very shrewd man of business; and he had among

many excellent qualities) one which I have noticed in others of his craft. He believed implicitly in his authors. He had the most genuine enthusiasm for Maurice and Kingsley and "Tom" Hughes, whose works he was then publishing. I had heard some of Maurice's lectures at King's College, London, and they had, I may here briefly say, impressed me with a boyish sense of reverence. Kingsley became professor of history at Cambridge in my time, and then and afterwards I saw a good deal of him. The appointment was in some ways an unlucky one. The critics of the Freeman School fell upon him; he could, they admitted, perhaps write a spirited historical novel; but was quite incompetent for scientific history; and Kingsley was modest enough to agree with his critics—a creditable but an unpleasant frame of mind. He was in truth a very attractive but far from a very strong man. I have always delighted in his books, and I believe in his genius. But a change had come over him. As a young man he had denounced the existing order as a disciple of Carlyle, and as a "Christian Socialist" had apparently sympathised with the revolutionary spirit. The fiery zeal of *Yeast* and *Alton Locke* had now strangely cooled. In *Two Years Ago* he discovered that the Crimean War had worked a great moral change on the country—this queer doctrine, one must remember, was accepted by Tennyson in *Maud*—and the poet who had, in the Poacher's Widow in *Yeast* denounced the British squire for his callous indifference to the labourer, now discovered that the squire was a reformed character, and a mainstay of social reform generally. Perhaps Kingsley's early vehemence meant the feverish and over-excitable temperament which leads to premature exhaustion. Perhaps his hearty sympathies and power of social enjoyment made it impossible for him to preserve an attitude of antagonism to his own class. Anyhow he had "rallied" or been reconciled, and his later works lost the old fire and ceased—a poor compensation—to offend the respectable. Kingsley was a man of most quick and generous sympathies, not of very deeply-rooted convictions, or, as he showed too clearly in the Newman controversy, of any logical closeness. If his intellect, however, had its weaknesses, it was impossible not to feel the charm of his character. His biography naturally exhibits him as always in his professional robes, and sinks the delightful companion full of graphic discourse upon literature or art or sport, who used to escape from the graver donnish circles and smoke as steadily as Amyas Leigh in Macmillan's den or the rooms of some young college fellow. I always remember Macmillan listening respectfully but uncomfortably while Kingsley was wretching with his

demands another object of study. "I am not a damned 1—Istar." My memory, I have said, is not perfect in the choice of fragments to be preserved. Miss Kennedy appreciates an occasional visitor, Tom Hughes, most gentle and simple of mankind. I had the good fortune to be tutor to Hughes's younger brother—a lad who might have stepped straight out of *Tom Brown's School Days*. Though, like his elder, he was not specially strong in the department of brains—Euclid, I fear, was an almost impenetrable mystery to him—he was of so sweet and pure a nature as to exercise a quite abnormal charm upon his companions.

My relations to Kingsley and Hughes rested, I fear, to a considerable extent upon a basis of non-intellectual sympathy. Tom Brown was taken then as a manifesto of Muscular Christianity. The theory of that sect was that a man should fear God and walk a thousand miles in a thousand hours. How the athletic doctrine came to be associated with the religious views of Maurice's disciples is a problem which I need not examine. It may perhaps be soluble by readers of Kingsley's *Hypatia*, who notice how clearly he prefers the heathen Goths to the ascetic monks of Alexandria. According to Kingsley, true Christianity was opposed to all asceticism, and meant, therefore, among other things, a due regard for the *corpus sanum*. Anyhow, Tom Brown's zeal for a combination of football and Arnold's sermons struck us in those days as making a happy ideal. Modern educationists tell me that the passion for athletic sports has become a nuisance. What ought to be a permitted recreation almost becomes a duty, or even a profession. In those early days the athletic zeal was still spontaneous and sincere. I really believed that I was acting from a high sense of duty when I encouraged my pupils in rowing, and I enjoyed the supreme triumph of seeing our boat at the head of the river as much as the great victory in the mathematical tripos, when, for once, we turned out a senior wrangler. Though (perhaps because) Nature has not qualified me for athletic excellence, I caught the contagion of enthusiasm. It is a natural sentiment for an author. Hazlitt gives one defence of the creed in his essay upon the Indian jugglers. The perfection of their performance excites the admiration of the author who admitted that even his own essays—and presumably other people's—fell short in many ways of absolute faultlessness. Whether the ethical advantages are as great as I fancied is another question. I preached that part of the Kingsley-Hughes creed with a zeal of which perhaps I ought to be ashamed. So far indeed as I was personally concerned, I have nothing but satisfaction to record.

my monologue. The one pursuit in which I used to contemplate is walking; and I still think with considerable fondness of the day on which I did my fifty miles from Cambridge to London in twelve hours, to attend a dinner of the Alpine Club. That admirable institution was just started at that time, chiefly by Cambridge men; and I am still a loyal though decayed member. To it I owe many of the pleasantest little pictures preserved in my memory; not merely of exciting climbs and sublime views, which are all very well in their way, but of delightful association with like-minded chums in Alpine valleys, not yet too tourist-ridden, where companionship in little adventures might be congenial to more intellectual intercourse and help the formation of permanent friendships. The athleticism of Cambridge in those days had the same merit. The college boat club was a bond of union which enabled me to be on friendly terms with young gentlemen whose muscles were more developed than their brains, and so far favourable to the development of the wider human sympathies. Interest in such pursuits is, at any rate, antagonistic to the intellectual vice of priggishness.

Though in those days the cult, having still the charm of novelty, was preached with indiscriminating fervour, I see that my reminiscences have led me to diverge to rather undignified topics. The literature of athletics is abundant and popular, and I can always study it with more satisfaction than would become a dignified man of letters. Even the records of the prize ring have a charm for me, and I have a lurking regard for Tom Sayers. But it is not my purpose to record the achievements of old heroes on the river or the cricket-field, or of those who sought glory on the snows of Mont Blanc or the crags of the Matterhorn. We—the society of which I am thinking—were a set of young men not far removed on either side from thirty, and undoubtedly we had both legs and stomachs. Anything might serve for a pretext for social gatherings. We were certainly not above enjoying the "gaudy" or college feast; performances which I recall with a certain shudder, when we could sit, like the proverbial alderman, trying our digestions with substantial eating and drinking for longer hours than I like to remember, and yet deriving a certain sanction to the proceeding from drinking to the pious memory of the founder in the grace-cup which he had bequeathed. It seemed to be not prosaic gorging but celebrating a quasi-religious ceremony. But whatever the pretext, there was no want of really intellectual intercourse. It may be a natural illus-  
tion, but it seems to me that I have never listened to better con-  
versation than I heard on such occasions. At that time or later

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one still believes in arguing. One has a touching faith in one's power of putting one's own ideas in other people's minds, a fact which seems to become more impossible the longer one lives. The demon has not yet whispered that nothing can be said which has not already been said and said much better, or that arguing means only airing your own strongest prejudices. In polite circles, a man who really argues is suspected of rudeness. He becomes afraid of treading upon his neighbour's toes if he says what he really thinks. He talks from the lips outwards or confines himself to the anecdotic variety of conversation. But in those days one could enjoy conversation in the true Johnsonian spirit, considered as a strenuous game of intellectual gymnastics, where you honoured the man who fairly set his mind to yours and could give and take a "swashing blow" with thoroughly good temper. If you did not really convert, at least you got your own opinions properly marshalled and arranged and received a valuable stimulus in elaborating your own scheme of things in general. The arguments in detail have long vanished from my memory, but I remember occasions on which they were prolonged for periods which show how deeply we were interested. I am afraid that such discussions would now send me to sleep in a few minutes. The question remains, what did we talk about, and in what direction were the minds of contemporaries tending ?

LESLIE STEPHEN.

# SPECIAL SUPPLEMENT

## THE ECONOMICS OF EMPIRE

### I

AT the close of the Napoleonic campaigns England found herself in the most remarkable position that a country has ever occupied. A speck upon the circumference of the planet, she possessed the effective empire of the world; an island, she was the absolute dictatrix of the sea; an industrial and commercial nation, she had secured in the long war the complete monopoly for practical purposes of manufacture and shipping. Her accumulated wealth and productive energy were equal to those of the whole Continent combined. In spite of the vast expenses of the twenty years' conflict in which she had swept the sea with her fleets and subsidised the allied military power of whole nations, not only were her means unexhausted, national capital had never increased so fast. Her resources were greater at the end of the struggle, for all its colossal cost, than they had been at the beginning. She held direct dominion over a fourth of the land and all the ocean.

But also, and this is the fact most important for our present purpose, she held even over the rest an indirect dominion. Before the age of railways the water was the world's highway in a more exclusive sense than it is now, and the commercial communications of mankind were in our hands. We were in touch with all nations, and nations not actually contiguous could only come in touch with each other through us. Colonial and tropical merchandise, raw cotton, Eastern silk, coffee, tea, sugar, and spices had to be received through British vessels or dispensed with. But the island was the centre of machine manufacture as well as the centre of navigation. The growth of the cotton trade in the fifty years before Waterloo has been justly described as the most wonderful industrial development that has yet been witnessed. Not only was there nothing outside these islands equal to Lancashire, there was nothing resembling Lancashire. The woollen trade was still greater than it had been when Defoe wrote in exultation, "Take our

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English woollen manufacture, and go where you will you find  
The linen trade was well nigh as extensive as it is to-day.  
In silk, we held our own. In metals, in hardware and cutlery,  
books and shoes, earthenware, china, glass, and the rest, we were  
as unrivalled as in textiles. For all purposes of manufacture  
we were the workshop of the world. For purposes of distribution,  
in respect of the things we did not produce, we were the  
warehouse of the world. We were the carriers of the world.  
We were the bankers of the world. Unless other nations  
bought our wares they could not procure such wares at all, and  
the extent of our sales was only limited by the means of our  
customers and the mediæval measures by which the fiscal policy  
of almost every country restricted exchange. In one word, we  
were as secure even of foreign markets as though they had been  
our own. The one deep blot upon all this brilliant picture of  
national prosperity and power was the condition of the people  
—the pauperisation of agricultural labour and the squalid lot  
of the overworked and underpaid population which had begun  
to swarm in manufacturing towns. Of this part of the matter  
the classical economists then and long afterwards took scant  
account. If the lot of the poor was wretched, competition had  
caused it, and competition would cure it. Cheap labour  
encouraged capital; the encouragement of capital extended  
employment; and this in its turn would make labour less cheap.  
If the demand for workers increased faster than the population,  
the condition of the masses would be improved. If not, the  
remedy lay in emigration, but not at all in combination among  
the workers or in legislation by the State.

The weakening of the national and Imperial idea, which may  
be perceived in these doctrines, resulted from the very completeness of our success up to Waterloo; from the cosmopolitan character of our commerce; and from the absence for many subsequent decades of all serious foreign rivalry upon the sea or in manufacture. With the decay of national feeling throughout the generations that followed the Napoleonic wars there was an increase of human feeling, and a strong tendency to believe in the near approach of universal peace and a universal friendship between peoples, which would find its natural expression in unrestricted trade. Upon the economic side the earlier classical economists, in their attitude towards the masses of our own people, preached the hardest and the coldest creed that could influence a nation. But, in their attitude towards foreign countries, and in their whole conception of international development, they were actuated, on the contrary, by the visionary sentimentalism of Rousseau. This fundamental con-

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tradition of thought explains, as nothing else explains, the whole history of England throughout the nineteenth century. The natural relation of individual men was considered to be one of merciless competition, with which the State should do nothing to interfere. But the natural relation of peoples was considered to be one of harmonious co-operation which the State should do everything to promote, and national prejudice was regarded as the most vicious and artificial of all passions, instead of being, what it essentially is, the vulgar form of the instinct of self-preservation. Yet England, in this scheme of human society, was always to retain the position she actually held as the chief industrial workshop of a world which would generally remain agricultural, supplying this country with all manner of crude products, and taking back in return all manner of finished articles.

The advocacy of this ideal on the part of Englishmen was natural. If it could have been realised, it would have been the permanent guarantee for the retention by this country of an overwhelming proportion of the world's wealth and power. The only difficulty of this theory lay from the beginning, as we shall see, in the total refusal of foreign nations to accept it. America rejected it from the outset. Germany, from the time of the most original and far-sighted of her economic and political writers, Friedrich List, to the time of Bismarck's final breach with Free Trade, rejected it more and more. France, though temporarily affected by the ideas of Cobdenism under the Second Empire, returned, as she was certain to do, to the ideas of Colbert almost immediately upon the recovery of her political freedom after the disasters of 1870. The British school of political economy, always excepting Adam Smith, whom all schools can and do claim as the father of their opposite opinions, under-rated both the power and the value of the national idea, whether at home or abroad. They underestimated both the ambition and the capacity of foreign nations to offer effective rivalry to this country in manufacture. This is, of course, not an indictment against them. It is a matter of historic fact, which must be grasped with the utmost clearness if we are to understand the commercial policy of this country from the beginning of the Great Peace to the repeal of the Corn Laws, and from the adoption of Free Trade to the fiscal controversy of to-day.

With the complete predominance in industrial and mercantile power which has been described, we seemed to be a certainty in front of the remainder of the world in material development. We were certain under these circumstances of conquering

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every market to which we might be admitted. This was the reason which made us in favour of the theory of Free Trade. No conceivable theory would have been so well calculated to promote our special interests if we could have realised it. That is why we have never realised it. Real Free Trade would have prolonged our monopoly of manufacture in enabling us to suppress, by our immense competitive superiority, the infant industry of every country in its own market. Hence other countries have been led more and more to exclude us in order to "protect" their industrial growth and to secure their own markets more and more for themselves. The reasons that decided England in favour of Free Trade were, in other words, clearly the reasons which have decided the world at large in favour of Protection, and created the modern economic situation. We believed that our industrial success had been wholly due to an inherent superiority in position, resources, racial character, and commercial aptitude. We thought other nations would dispute it in vain. Other nations believed, on the contrary, that our industrial success was due, above all, to the fact that we had been left in sole possession of the commercial field owing to the political confusion of the Continent, and they believed that our supremacy, with peace in Europe and patience on the part of its peoples, might be seriously disputed and possibly overthrown. In this conception, as we now perceive, foreign countries were right, and the British school of political economy, in the first half of the nineteenth century, was mistaken. In the generation before and after Free Trade we mistook the temporary condition of politics for the permanent conditions of nature. When we adopted Mr. Cobden's policy we thought, as he thought, that the world was tending towards an age of cosmopolitan liberalism and free exchange—towards a universal acceptance, in other words, of English ideas. What was really approaching was the age of Bismarck, militarism, universal tariffs, and destructive competition.

We have free imports. We have no ~~free~~ exports. We define our contention, therefore, at the outset. A country which monopolises all the manufactures must be in favour of unrestricted access to all the markets. So long as it is allowed by other nations to retain this enviable situation it must be inclined to Free Trade. A country, on the contrary, which no longer monopolises any manufacture, and which finds its rivals shutting it out of most of the markets, must desire to make itself secure in some of them. Hence, when

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it has wholly ceased to enjoy free exports it must reconsider the theory of free imports.

## II

Adam Smith was the most practical of writers, and his superiority over all his successors lies in his profound sense of the distinction between the pure science of wealth and the applied science of politics. He never forgets that the power of nations is not only more important than the wealth of nations, but that anything which diminishes the former in the case of any particular country must be detrimental to the latter. The economist in him was subordinate to the Nationalist. He vindicated the soundness of the old Navigation Laws—probably the most severe Protectionist measure in history—upon the principle that “defence is more important than opulence.” He was the father of the theory of free exchange, which will probably be adopted by the world in some future and distant generation, though it has not yet been seen in practice. But at the same time Adam Smith was the father of Imperial Federation. In a famous passage he recommended that the American Colonies should be represented at Westminster. If his prescience had been shared by statesmen the separation of the race might never have occurred, and a united North America might actually have been, as he thought, possible, the predominant partner of a British Empire twice as great and powerful as that which now exists. The founder of modern political economy was in no sense an unconditional Free Trader of the modern order. He distinctly sanctions a resort to retaliation in cases where a country aggrieved by foreign restrictions upon its trade has a reasonable prospect of securing equal treatment by resorting to retaliation.

No writer also has explained more clearly than Adam Smith the value of the home market by comparison with the foreign market. Two parties must be benefited by an ordinary transaction in trade. But where the transaction takes place between two citizens of the same country, that country receives both the benefits. In a case of foreign exchange a country receives only one side of the benefit. Another nation receives a benefit which may be equal or superior; and as the second nation may be an enemy to the first the net result of the transaction may mean a relative disadvantage to the first. Thus far Adam Smith is above the quarrels of the day; and both sides may claim him. He may be claimed for Mr. Chamberlain's policy under each of its three aspects—that which implies, in consequence of the German treatment of Canada, the resumption by this country of

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the power to retaliate ; that which seeks to strengthen the home market as compensation for the closing of foreign markets ; and that which sees in preferential trade the true means towards Imperial Federation. Also, though the author of the "Wealth of Nations" is the father of free exchange as a doctrine—of the Free Trade theory proper—not a sentence can be quoted from his pages showing him to be the father of "free imports" as an actual and unreciprocated policy. Free imports are an inference which successors have drawn from his doctrines, but as we have seen they are nowhere laid down as an express and unconditional article of his doctrines. Upon the contrary, the Navigation Laws, which he defended on political though not on economic grounds, prohibited foreign nations altogether from bringing colonial imports into this country, and were the most complete contradiction to the letter and spirit of Mr. Cobden's policy.

Nevertheless, if free imports are a pure inference from Adam Smith's teaching it is well to see how that inference was drawn. The foundation of his whole system of political economy lies in the principle of the division of employments. In other words he laid down with unsurpassable clearness the unalterable truth that specialisation means efficiency. When many hands made different parts of a pin the article was produced in a quantity and with a speed impossible upon the principle of one person one pin. A man is a better farmer if he is not at the same time a tailor, as a man is a better physician if not at the same time a lawyer. Now the division of employments for purposes of production implies the necessity of exchange and the absurdity of restrictions upon the exchange either of goods for goods or services for services. This is the view that we all accept in our private lives.

It is true that individuals following different employments are necessary to each other. But what is by no means true is that persons following the same employment are equally necessary to each other. The smith is indispensable to the farmer, the farmer to the smith, the tailor to both, the physician to all of them, and the freer they are to give their services to each other the better. Here we have the whole explanation of the theory of free exchange and the whole origin of what is a very different thing, the policy of free imports. Nations were conceived as individuals following different pursuits, each having a special aptitude for producing commodities needed by the rest. In that case Free Trade between different States would be unquestionably as advantageous as the free interchange of goods or services among

parts of one country and all citizens of the same nation. Among nations upon an actual level of industrial development, free competition would indeed be the only method of proving to what particular employments they were relatively adapted.

But in constructing a theory of international intercourse upon the analogy of private intercourse, one side of the matter was completely overlooked. There is not only such a thing as *division of employments*, making co-operation necessary and restriction absurd; there is such a thing also as *identity of employments*, which involves a completely different relation—the relation not of co-operation but of competition. Here at once the destructive element comes into play, and the theory of free exchange no longer applies. If two persons make two heads of a pin, to recall once again Adam Smith's most familiar illustration, and only one head of a pin is needed, they cannot combine their activities, are no longer beneficial to each other, their interests are no longer identical, but, on the contrary, one can succeed only at the expense of the other. The existence of the farmer is indispensable to that of the village tailor, but the appearance of a second tailor where there was only one before is by no means an unmixed benefit to the first. The whole structure of Cobdenism is founded upon the assumption that *division of employments* with the consequent necessity and advantage of the freest possible exchange, would continue to be a more decisive factor in economic policy than *identity of employments* involving the destruction of interests upon one side by the competitive success of similar interests upon another side.

The main question, therefore, in 1903 is not a question of theory, but a question of fact. You cannot in ordinary life assume a man to be a physician who may not be a physician. The point is whether as a matter of fact he is a physician. When free imports were adopted, for instance, we were the only considerable manufacturing country in the world, and our intercourse with the remainder of the world was co-operative, and not to any appreciable extent competitive. America was a large buyer of our goods, and had not yet become an overwhelming producer of corn. Her cotton manufacture, which is now larger than that of Lancashire, was then an industry of entire insignificance. Her iron industry had no effective existence. Now America makes more than twice as much pig-iron as we do, and she makes three times as much steel. She has taken our land out of cultivation by her rapid industrialisation, and at the same time has not given a corresponding

former orders from our factories, and will ~~attempt~~ ~~abandon~~ herself of the free-imports system in a time of ~~crisis~~ for the purpose of displacing our iron and steel manufacturers in this country by her surplus production. France, in spite of Defoe's exultation, sends us vastly more woollen goods than she purchases, and, in spite of the hopes built upon Cobden's treaty, sells more cotton goods than she buys. Germany, like America, produces more pig-iron than we do, and at no distant date, with her present rate of progress, will make annually twice as much steel.

In 1846, when England was still the chief and almost the sole workshop of the world, and when foreign nations were both our providers of raw materials and food and our customers for finished goods, the actual characteristic of international commerce was a broad division of employments as between an industrial island and an agricultural world. This is why free imports were adopted with confidence in 1846, and were for a long time successful. But again, as a matter of fact, the dominating characteristic of modern commerce now is the identity of employments among the principal industrial nations. Therefore each nation is endeavouring to enlarge its trade at the expense of the others, conceding the narrowest possible market to its neighbours while securing the largest possible market for itself. That is why the whole doctrine of free imports in 1903 is shaken to the base. If division of employments among nations had remained an actual fact, free imports would have remained an indisputable policy; for free exchange would have been in the equal and evident interest of all nations, and Free Trade would have become universal. We have been excluded by hostile tariffs from the markets of competitive countries simply because our most successful and powerful employments were identical with those which the rival industrial nations desired to establish. The co-operative principle of divided employments in international commerce formed the basis of Cobdenism. The competitive principle of identical employments destroys it.

### III

At the outset let us do justice to Richard Cobden, and try to understand the point of view of this great but fallacious Englishman—an Englishman as typical in his different way as Cobbett himself, and governed by that fact unawares. When he believed himself to be actuated by cosmopolitan theories he was really impelled by intensely insular ideas. He, like, when he

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appealed to mankind at large, his most effective opponent, Friedrich List, with just alarm, warned all Germany against him. All Germans of deepest insight knew that their destiny would have to be worked out by war as it had been worked forward by war. They knew that the conflict of interests and ambitions between peoples were only too real. They held that there was no reason for other nations and races to be satisfied because England had got all she wanted in politics, and could desire nothing further but full play for her crushing economic power in all the markets of the world. There was international division of employments only because England well-nigh monopolised all the superior employments. A continued division of employments in that sense would relegate the other peoples permanently to the inferior employments. That was not a position which they could be or were prepared to accept. Cobden was a widely travelled man. But the mark of his mind was that wherever he went he saw nothing that did not strengthen him in his previous opinions. It does not appear that the moving spirit of the Corn Law League had read Friedrich List, who, remarkable to say, is not once mentioned in Mr. Morley's biography. If Cobden had read that economist he would have despised List's system of "*national economy*," as the *Edinburgh Review* did, for the reason that it was *national*, though this very fact has determined its ultimate triumph over Cobden's own doctrines. One thing alone he foresaw and clearly predicted—that the manufacturing development of the United States was inevitable and would be formidable. What he unfortunately did not foresee even here was that America, to secure that development of her home production, would attack British exports more and more severely, and would base her whole fiscal policy upon the deliberate repudiation of the Cobdenite theory of exchange. Then with regard to the continental countries, Cobden saw that the *actual* state of things, was division of employments. Owing to his lack of the historic sense and of the higher order of imagination, he did not understand that the real ambition of the majority of civilised mankind would be to rise above their lower economic status and to obtain, as nearly as might be, an equality of employments with this country. The sanguine and somewhat facile idealism which helped to make him unsuccessful in business, helped equally to make him a dangerous guide in national policy. But with his unrivalled organising power, his elevated and sincere character, his lucid and persuasive intelligence, he was wonderfully well fitted to play the part of the triumphant agitator against a bad system. The practical bent of his

energy was determined by two things. He was a cotton manufacturer—belonging to the greatest and also the most exacting of our trades. That trade depended, as it still does, exclusively upon imported raw material in the first place, and almost exclusively upon export trade in the finished stuffs. But also Richard Cobden, as the son of a ruined yeoman, was helped by his antipathy to landlords and by his knowledge of land. He was a farmer's son, to whose family the Corn Laws had not meant success. We are bound to believe that his political thought and action were coloured by this fact more deeply than Mr. Morley indicates.

As a cotton manufacturer Cobden desired Free Trade—free imports of raw products, free exports of finished products—as a matter of course. The only error lay in overlooking the fact, obvious to us, but not at that time obvious, that other nations would desire to create Lancashires of their own—that foreign nations were certain not to have the same interest in conceding free exports that Cobden had in desiring them. His idealism and his interests worked naturally together against everything that he understood by "monopoly and restriction." But he regarded the Corn Laws, in the expression he frequently used, as "the keystone in the arch of monopoly." Pull that out and the whole of the old fiscal system would collapse. We have seen the theories upon which that result was advocated. We shall now glance at the method by which it was secured.

Free imports are of course a negative. They are not a system, but they are the absence of one. Cobden's aim therefore was purely destructive, and he achieved it because the thing he attacked was bad as it stood. The old tariff had become a stupid and injurious mechanism, and the sliding scale was its most stupid and injurious device. We know now that our mediæval forefathers had originally been shrewder and more practical men than we had long been apt to think. Their conception of commercial policy was not widely different from the late Mr. McKinley's, or from that of the German Emperor, or from that of any modern framer of a national tariff. Their object in imposing fiscal restrictions was not really to restrict trade, but to encourage home production rather than foreign production. The McKinley Act forced Yorkshire wooden manufacturers to set up factories in America, just as Mr. Chamberlain's policy would force a large number of the American and continental firms now supplying us with foreign manufactures to create employment here. But Edward IV. aimed at and achieved precisely the same object when he

founded the greatness of the British woollen industry by inducing the Flemings to settle in this country, and then prohibiting the importation of foreign cloth. The mercantile system in the seventeenth and eighteenth centuries pursued many very sound aims in practice, even though it framed false theories to account for them. Without the Navigation Laws our control of the world's carrying-trade and our command of the sea could never have been so complete or so secure. We placed every obstacle in the path of our rivals, and forcibly kept down their competition to the utmost of our power. This may have made our wealth absolutely less than a more liberal system might have made it. But being a far greater disadvantage to our rivals than ourselves it helped to make our wealth relatively greater than theirs, and therefore to increase our national power.

None the less at the time of Waterloo the tariff had lost sight of its original purposes and placed its multitude of imposts with blind extravagance and haphazard triviality on raw material, food and foreign manufactures alike. The reaction began with Huskisson in 1823, not with Cobden in 1846. The latter found England already started upon the glissade of fiscal reform, and for him was reserved the work of giving his country the final push. Mr. Morley writes :

Huskisson's legislation from 1823 to 1825 reduced the tariff of duties upon almost every article of foreign manufacture. This stamped that date, in Cobden's words, as the era of a commercial revolution more important in its effects upon society and pregnant with weightier consequences in the future than many of those political revolutions which have commanded infinitely greater attention from historians.

The duty on cotton goods was lowered from a figure ranging from between 75 per cent. and 50 per cent. down to 10 per cent. Imported linens sometimes paid as much as 180 per cent.; they were henceforth to be admitted at 25. Paper had been prohibited; it was now allowed to come in on paying twice the amount levied as excise from the home manufactures. The duty on a foreign manufacture in no case exceeded 30 per cent. The principle of this immense reform was that if the article were not made either much better or at a much lower price abroad than at home, then such a duty would be ample for purposes of protection. If, on the contrary, the foreign article were either so much better or so much cheaper as to render 30 per cent. insufficient for purposes of protection, then, in the first case, a heavier duty would only put a premium on smuggling; and secondly, said Huskisson, there is no wisdom in bolstering up a competition which this degree of protection will not sustain.—*Life of Cobden*, vol. i. p. 163.

This was the system, however, under which England had not only won the monopoly of manufacturing success, but had acquired an energy in commercial enterprise and a genius for mechanical invention such as the world had never before known. With all the later perversity of the system an

unexampled development of material production had taken place under it. Our manufacturing interests feared no rival. They wanted no further protection, and under the conditions in which they found themselves after the close of the great war, they needed none. There was no foreign competition to be protected against. That was one of the master facts of the situation. The other was the misery of the people. It is not historically true to say that this misery was caused by the Corn Laws. It was somewhat aggravated by the Corn Laws in ordinary times, and iniquitously aggravated in bad seasons. The great fall in food prices did not begin for thirty years after the repeal, and was then due to the revolution in cultivation and transport worked by the extension of railways in America and the rise of steam navigation. The chief causes of the wretchedness of labour were the conditions under which it was exploited by capital and the abandonment of the people by the governing classes to inconceivable ignorance and squalor.

Nevertheless the sliding-scale, with its nominal duties when prices were high and its enormous duties when prices were low, placed a premium upon unscrupulous speculation which resulted in violent fluctuations of the market. Imports were excluded in good seasons by the unremunerativeness of prices, and were not forthcoming in bad seasons because of the uncertainty of the market. With agriculture even more than with respect to the Navigation Laws "defence is more important than opulence," and if Cobden had realised the full moral and economic importance of that fact, English society would have been a much sounder organism than it is to-day, and our industrial power itself would have been placed for all competitive purposes upon a much more solid basis. We shall show this in examining, from a point of view which has never yet received due attention in this country, the creative effect of free imports in England upon commercial development in America. The right reform would have been found upon the one hand in a reasonable fixed duty upon imported wheat, with a rebate upon Colonial wheat according to the wise spirit and practice of our old Colonial system. Upon the other hand, tariff reform, while removing taxes from raw materials in every shape and form, ought not to have gone to the length of conceding absolute and unconditional "free imports" to all products of all nations before we had bargained by treaty with other countries for a reasonable measure of reciprocal treatment in return for the invaluable privilege they were granted in our market. Had this been done there cannot be the slightest question that Cobden's own ideal of free

exchange would have been more effectually promoted, and that British exports would have now enjoyed freer access to every great civilised market, while national thought upon the principles of commercial policy and the conditions of competitive success would have been kept alive. But the sliding-scale was the tangible point of attack in the whole framework of our traditional fiscal policy, and Cobden drove the whole weight of popular passion against it like a battering-ram against a cottage wall. His genius as an agitator lay in the clearness with which he concentrated himself upon the effort to "pull out the keystone in the arch of monopoly." It was pulled out, and the whole fabric, with all its abuses and all its safeguards, came down together. Some forlorn fragments of the tradition of centuries, in which we had been neither an unsagacious nor an unsuccessful nation, remained to be knocked away in 1860. With the Repeal of the Corn Laws Cobden's work of largely beneficial but largely hazardous and wholly indiscriminate destruction was done. In all other respects the Imperial, the foreign, and the social policy of Cobdenism and the school of *laissez faire* has been rejected by this country as much as by any other country. The real issue of "national economy" as between a free importing and a Protectionist system had never been, and until now never has been, thoroughly debated. For before the modern rise of foreign competition, full data for comparison between the two systems—not as abstract doctrines but as practical methods applicable to given states of society—did not exist. But the Corn Laws had been triumphantly assailed. In 1846 England became what, after some tentative and temporary imitations, she remains—the only free-importing nation. We did not get free exchange. We are further from the conditions of free exchange in 1903 than we were in 1846. British exports are obstructed on every side as perseveringly as foreign imports are facilitated upon this side. We are the only free-importing nation. We are not a Free Trade nation, because there is no Free Trade.

## IV

We shall now see what were the expectations with which the nation embarked upon this policy. Mr. Disraeli did not believe that foreign nations would follow our example. He warned the House of Commons in 1843 that unconditional free imports in this country would only leave foreign nations "free" to raise hostile tariffs against her. If we could not retaliate, they could not be restrained. It is fair to say that Peel refused to premise that foreign nations would follow our

example. But Cobden thought otherwise, and the nation thought with Cobden. Only six months before repeal, in a speech on January 15, 1846, he had committed himself to the following declaration :

I believe that if you abolish the Corn Laws honestly and adopt Free Trade in its simplicity there will not be a tariff in Europe that will not be changed in less than five years to follow your example.

In the last thanksgiving meeting of the Anti-Corn Law League the whole enthusiastic and credulous idealism of the man was expressed in the following remarkable outburst of delusive oratory :

I believe we are at an era which in importance socially has not its equal for the last eighteen hundred years. I believe there is no event which has ever happened in the world's history, that in a moral and social point of view there is no human event that has happened in the world, more calculated to promote the enduring interests of humanity than the establishment of the principle of Free Trade. I don't mean in a pecuniary point of view, or as a principle applied to England ; but we have a principle established now which is eternal in its truth and universal in its application, and must be applied in all nations and throughout all times, and applied, not simply to commerce, but to every item of the tariffs of the world ; and if we are not mistaken in thinking that our principles are true, be assured that these results will follow, and at no very distant period. Why, it is a world's revolution, and nothing else ; and every meeting we have held of this League, and this its last meeting, probably may be looked back upon as the germ of a movement which will ultimately comprehend the whole world in its embrace. (July 4, 1846.)

That recurrent "I believe !" had the power upon England that unhesitating conviction will always have. But let us see upon what grounds of practical calculation the belief was based. Cobden had as stout a disbelief in the ability of foreign nations to "dump" corn in this country as his successors have in American and German ability to "dump" iron. "Where," he cried on June 18, 1845, "is the corn to come from that is to inundate you now? No, there is no such thing." He protested that his policy would not throw an acre of English land out of cultivation, and, on the contrary, would positively increase the demand for agricultural labour.

I have never been one who believed that the repeal of the Corn Laws would throw an acre of land out of cultivation. Our object, therefore, is not to diminish the demand for labour in the agricultural districts ; but I verily believe, if the principles of Free Trade were fairly carried out, they would give just as much stimulus to the demand for labour in the agricultural as in the manufacturing districts. (Manchester, October 19, 1843.)

Like many other politicians, Cobden, without intending to be inconsistent, addressed to different interests arguments not

easy to reconcile. The real basis of his main belief appears to have been this: that free imports would develop and attract foreign agriculture; that a great export of British manufactures would go abroad in return; that the fundamental division of labour would be more clearly marked than before; and that free exchange under these circumstances, being in the equal and evident self-interest of all nations, would of necessity be recognised by all men as the only rational and profitable system. Cobden's was very far from being a weak mind, though not a deep one, but it appears at its weakest in passages like the following :

The Atlantic States of America are increasing and consuming more and more of the corn of their interior, and we offer them no inducement to spread themselves out from the cities, to abandon their premature manufactures, in order to delve, dig, and plough for us. (June 18, 1845.)

Or this :

The effect of Free Trade in corn will be this. It would increase the demand for agricultural produce in Poland, Germany, and America. That increase in the demand for agricultural produce would give rise to an increased demand for labour in those countries which would tend to raise the wages of the agricultural labourers. The effect of that would be to draw away labourers from manufacture in all these places to pay for that corn, more manufactures would be required from this country; this would lead to an increased demand for labour in the manufacturing districts, which would necessarily be attended with a rise of wages in order that the goods might be made for the purpose of exchanging for the corn brought from abroad. (February 8, 1844.)

But who in this country could have foreseen the time when the German iron and steel industry would be larger than our own, and when the American output of iron and steel would be twice as great, when the cotton manufacture of the United States would be larger than ours, when Saxony would be another Lancashire, and when Italy would be about to turn Lombardy into yet another Lancashire still by electric power and the torrents of the Alps? We see these things now. If we had lived in Cobden's time we should probably have agreed with Cobden. But elsewhere there was a more far-sighted and prophetic intelligence at work. Disraeli, curiously enough as one gathers from the speeches of that time, seems to have been the only politician acquainted with the name of Friedrich List, who committed suicide in the very year of the Repeal of the Corn Laws. Europe will hear more yet before she has done with his memory of the ideas of one who remains the political apostle of Pan-Germanism as he was the real intellectual power of the Protectionist reaction. We desired free exchange, as America one day though not for some considerable period yet may desire it—because

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the condition of successful competition with us in an open market existed nowhere in the world, and because we were certain of conquering all markets to which we might be admitted. List drew the moral as follows :

The English, by a system of restrictions, privileges, and encouragements, have succeeded in transplanting to their native soil the wealth, the talents, and the spirit of enterprise of foreigners. This policy was pursued with greater or less, with speedier or more tardy, success, just in proportion as the measures adopted were more or less judiciously suited to the object in view, and applied and pursued with more or less energy and perseverance.

And again he wrote in striking words :

We venture to assert that on the development of the German protective system depends the existence, the independence, and the future of German nationality. Only on the soil of general prosperity does the national spirit strike its roots and produce fair blossoms and fine fruits. Only from the unity of material interests does unity of purpose arise, and from both of these national power.

In other words the division of employments was very well as between nations fully developed. But we could not be allowed by the acquired advantage we possessed to dictate the character of that division of employments. Free exchange would give us full play for our commercial supremacy throughout the world. It was natural that we should desire it. It was inevitable that foreign nations after reflection should decide more and more firmly to refuse it. The extraordinary fact was not that we should have endeavoured to aggrandise our already overwhelming advantage in this manner, but that we should have really held the belief that we were somehow promoting the universal interests of mankind. Our insularity was never so narrow as when we thought we had become cosmopolitan. Free Trade while the conditions of competition were so unequal was inconsistent with the material ambitions and the full economic development of the remainder of the world. This is why free imports have not only not led to Free Trade, but, as we shall see further on, have actually been one of the chief factors in creating the universal *régime* of Protection outside these islands.

### V

From this point we must enter upon the statistical analysis of British trade if we are to form an intelligent opinion upon either side of the greatest controversy, taken for all in all, that has been opened in British politics since the separation of America. The present issue is distinctly more momentous than the original struggle upon the Corn Laws. It must determine our

whole fate as an Imperial Power and as a trading nation. Our commercial supremacy, our maritime supremacy, and with them the security of our dominion, were more complete before Free Trade than they have been under Free Trade. For both sides alike the issue involved in Mr. Chamberlain's enterprise is that of the making or the breaking of the Empire, the consolidation or the decay of our dominion, with the preservation or the loss of our commercial ascendancy upon the sea. Isolated free imports involve the refusal of commercial union with the Colonies, as well as of a tariff against foreign manufactures in this country, corresponding to the tariffs against British manufactures in competing countries. The political and economic issues are alike decisive. The defenders of free imports think that preferential trade would be ruin ; the advocates of commercial union are convinced that continued "free imports" will be fatal. But Mr. Chamberlain's opponents are under the disadvantage of believing that our commercial supremacy must pass away by natural necessity in consequence of the preponderance of the United States in population and resources, and the preponderance of Germany in population, though not in resources. But if our mercantile supremacy must pass away, our mastery of the sea must pass away, the Empire must pass away, and we must ultimately become a subordinate European State.

The opponents of free imports accept none of these conclusions. They believe that our present fiscal position—free imports for all competitors in this market, tariffs in all the markets of our competitors against our goods—means a restraint upon home production as well as upon export which has depressed our industrial and competitive power far below the natural level. They believe that as against Germany our industrial and commercial advantages are decisive, and that for all purposes of ocean traffic the British Empire, which lives by sea-exchange, possesses no less decisive advantages over the immense but self-contained market of the United States.

It remains to develop the arguments for these views and to dissect the arithmetic of the present system. The inquiry divides itself naturally into three periods of thirty years each : (1) from Waterloo to the repeal of the Corn Laws—the period of our monopoly before free imports ; (2) from 1846 to 1875—the period of our monopoly after free imports ; (3) from the appearance of foreign competition in the seventies and the consequent disappearance of our monopoly down to the present day, when the whole question of our fiscal policy is reopened.

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## VI

**THE FIRST PERIOD.**—It is frequently imagined that British commerce had been languishing before free imports, but this is to begin with a fundamental error. Our trade was far less stagnant in the thirty years before Cobdenism than it has been in the last thirty years under Cobdenism. This appears to a certain extent from the following tables, showing the values of British exports in the generation after the Great War. There was, to begin with, a reaction from the inflated conditions of commerce during the struggle, but after that first reaction the extent of the progress made may be measured by two tests. Take first the table of real values :

**I. PRODUCE AND MANUFACTURES OF UNITED KINGDOM EXPORTED,  
ACCORDING TO THE REAL VALUE THEREOF.**

1815	.	.	.	.	.	£49,600,000
1820	.	.	.	.	.	35,600,000
1825	.	.	.	.	.	38,900,000
1830	.	.	.	.	.	38,300,000
1835	.	.	.	.	.	47,400,000
1840	.	.	.	.	.	51,400,000
1845	.	.	.	.	.	60,100,000

But this is in reality far from showing the full extent of the expansion. The great fall in prices during the second quarter of the century conceals in these figures the constant but remarkable increase of the quantities exported that was really taking place. This is shown by the old official or fictitious values. They were entirely conventional, and worthless in themselves, but as they were consistently applied to the same goods year after year by the Mandarins of our old Customs system, sublimely irrespective of the real fluctuations of price, they show how the volume of our exports actually expanded :

**II. PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM  
AT THE OFFICIAL RATES OF VALUATION.**

1815	.	.	.	.	.	£41,700,000
1820	.	.	.	.	.	37,800,000
1825	.	.	.	.	.	47,200,000
1830	.	.	.	.	.	61,600,000
1835	.	.	.	.	.	78,400,000
1840	.	.	.	.	.	102,800,000
1845	.	.	.	.	.	134,600,000

Thus, in the quarter of a century before Free Trade the increase in the quantity of our exports was about 250 per cent. In the last generation, under free imports, our outward shipments, apart from coal, have increased by less than 40 per cent. in *quantity*.\* We perceive, therefore, that the effects of

\* Values are another question, as will be seen.

the old tariff system in restricting the expansion of commerce have been immeasurably exaggerated, and that the power of free imports alone to promote commerce has also been immeasurably exaggerated. Take iron: the output of pig iron in the United Kingdom increased from 400,000 tons in 1820 to about 1,500,000 tons in 1845—or nearly fourfold. Take cotton: the piece goods exported rose from 350 million yards in 1820 to 1100 million yards in the year before the repeal of the Corn Laws—a more than fourfold increase. The relative importance of the linen trade was much greater than it is to-day, and wool made slower, but still steady, progress. British hardware and cutlery and every description of British metal manufacture were in demand throughout the world. To sum up the matter, let us quote from the *History of the Free Trade Movement*, by one of Mr. Cobden's most convinced and enthusiastic disciples, the late Augustus Mongredien. He is describing what was the real state of the country in 1845, the year before the repeal of the Corn Laws, and this is how he writes:

The country was flourishing, trade was prosperous, the revenue showed a surplus, railways were being constructed with unexampled rapidity, the working classes were fully and remuneratively employed, the Imperial average of wheat for the week ending June 28 was 47s 11d. a quarter, and bread was cheaper than it had been for many years. (P. 133.)

How ludicrous, by comparison with all this, seems Lord Rosebery's melodramatic declaration about the “terror, horror, and famine” of the period before the repeal of the Corn Laws! We were a very great nation, and, by comparison with our neighbours, we were more powerful, more prosperous, and more progressive than we are now.

## VII

THE SECOND PERIOD.—Yet for the thirty years after the repeal of the Corn Laws Cobdenism seemed to be justified with overwhelming completeness by the event. The adoption of free imports was followed by an unparalleled expansion of commerce, as the fall of Tenterden steeple was followed by the appearance of the Goodwin Sands. There was little more connection between the two former phenomena than between the two latter. There was no general decline in the cost of living. The price of wheat did not fall. The price of meat increased. Nor were our manufactures improved owing to any decrease in the general cost of production, for raw materials had been practically free since the tariff reform of 1842.

Expansion of commerce follows expansion of demand. In

the thirty years after the repeal of the Corn Laws there was an immense expansion of the world's demand on account of changes which were transforming the conditions of production, transport, and finance throughout the world, but which had no more to do with the alteration recently made in our domestic policy than with the planetary motions. It was Cobden's extraordinary good fortune to secure the adoption of his system exactly upon the eve of a series of political and economic developments, which increased enormously, as we have said, the world's demand for manufactured goods, and at the same time prolonged for another generation our monopoly of the supply. Exports were the index then, as they are now and always must be, of competitive progress. Let us state, in the first instance, and afterwards analyse, the astonishing figures of the British trade returns in years of highest trade from 1846 to 1873 :

BRITISH COMMERCE, 1846-1875.

	Exports, Million £.		Imports, Million £.
1846	57.8	...	75.9
1847	58.8	...	90.9
1848	52.9	...	93.5
1849	63.6	...	105.9
1853	98.9	...	123.1
1857	122.0	...	187.8
1860	135.9	...	210.5
1866	188.9	...	295.3
1872	256.3	...	354.7
1873	255.2	...	371.3

No familiarity with these figures ever leaves them other than amazing. They represent an uprush of national success without example in the history of commerce, and they may well remain without a parallel in the future. We see the demand for British goods increasing by leaps and bounds. The same demand would, of course, have existed, and would have had to be satisfied from the same source in the same way, if free imports had never been introduced. For the demand was created by three things which had no sort of connection with Cobdenism : (1) the discoveries of gold in California and Australia ; (2) the development of railways and steamship communication throughout the world ; and (3) the almost universal and continuous wars which followed the close of the Great Peace. The whole world plunged deeply into debt to this country, and our loans went abroad in the concrete form of British goods. The fever of speculation and enterprise was worked up, which reached its height in 1872-73, with the final

close, so far as we were concerned, of the conditions which had produced it. We were never again to be the focus of such an economic movement. But Richard Cobden was the least of the persons responsible. The persons responsible were, the anonymous man who picked up the great nugget at South Fork in California ; Hargraves, the miner from California, who discovered the first gold in Australia ; George Stephenson, the third Napoleon, Prince Bismarck, M. de Lesseps, Ismail Pasha, and Jefferson Davis.

(1) *The Gold Discoveries*.—It will be observed in the above table that for the three years following the repeal of the Corn Laws the value of exports showed no increase. There was no increased trade from free imports alone. But in 1848 the great gold deposits were discovered in California, and before the end of the year adventurers were swarming from all parts of the world. The bay of San Francisco, which had been a beautiful solitude, became crowded with ships and cities. Mining camps sprang up by enchantment in the wilderness. America began to increase her imports by from five to six millions a year. The total imports of the United States were £25,000,000 in 1846. They were £65,000,000 in 1856. We had the lion's share of the increase in goods and freights. But within three years after this movement had commenced it was doubled in force by the Australian gold-find, and a market of first-class importance was instantly created in another wilderness—this time at the Antipodes. Australian imports actually increased tenfold in value between 1851 and 1853 ; and what had been an almost uninhabited continent became, what it still remains, our third most important customer, India being even then the first, while the United States were second.

(2) *Railway Development*.—In the meantime works another factor of demand. Concurrently with the Californian gold discoveries there was a sudden expansion of the rate of railway construction in America, and the Republic from 1848 began to add thousands of miles of line to its system. A similar movement was going on throughout the European Continent from Madrid to Moscow, and in South America, in India, in Egypt. British money and British iron played the chief part in creating this development. We did not realise while our exports were bounding in consequence, that the work we were engaged in was the work which would destroy our manufacturing monopoly, transform the industrial conditions of the world, and call foreign competition into being. Our foreign investments went abroad to create in this and other respects the conditions of foreign competition—a very remarkable fact, which a masterly

of our own time, Professor Adolph Wagner, has made the foundation-stone of his teaching. Throughout the sixties we were exporting bar and railway iron at the average rate of a million tons a year, and the value of our total exports of iron and steel increased with leaping prices from £15,000,000 in 1863, to £38,000,000 in 1873. Nor must we leave out of sight the fact that the same movement was revolutionising the home market. In 1845 and 1846 "no fewer than 347 Acts were carried through Parliament authorising the construction of 7654 miles of railway at an estimated cost of £190,344,087 sterling." In all this huge process "free imports" were the fly on the wheel. We had invented railways, and the world demanded railways from the only country which could supply them.

(3) *The Continental and American Wars.*—The apologists for free imports resist with almost violent indignation the attempt to take 1872 and 1873 as a basis of comparison for the examination of British trade in the subsequent period. These years, they tell us, were entirely abnormal years, owing to the Franco-German war. But if free imports did not create the prosperity of the early seventies, it is certain that they did not create the prosperity of the country during any part of the period under review. If 1872 and 1873 are to be ruled out as abnormal years, there is not a single year in the previous quarter of a century which can be regarded as a normal year or taken as a basis of comparison. Hence we have the valuable admission of the Cobden Club itself that our commercial expansion in what is called "the golden age of Free Trade" had no more to do with free imports than the principles, let us say, of the Free Food League have to do with free food. In 1848 came "the year of revolutions" and the awakening of the democratic and national movement throughout Europe. The whole political system of the Continent had to be recast before the foundations of industrial success could exist. Once more the appearance of foreign competition had to be postponed for the greater part of one generation, and once more our monopoly was prolonged. Italy and the German Empire were to be created, France dismembered and reorganised, Austria had to be overthrown and reconstructed, Denmark had to be despoiled, and the American Union above all had to be saved. If the climax of 1872 and 1873 was due to the Franco-German war the ascent of our trade to the figures of 1866 was due to the Amerian Civil War, and the consequent cotton boom in India, Egypt, and Brazil—to the development of Prussia, with the triumphs of Schleswig-Holstein and Sadowa. If we go back to 1857 and 1859 the

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special cause of the upward impetus is found in the great gold-finds, and all through the period railway construction and the increase of steam shipping are assisting all the abnormal influences of war and speculation to force up the trade returns. There was a golden age of demand for British goods. The internal development of colonies and dependencies and foreign nations was increasing their consuming power, and the workshop of the world was still, in the absence of any industrial rival, the only source from which the required supplies could be drawn. But there is not a moment between 1846 and 1873 at which the successive phases in this immense progress of national commerce and wealth need to be accounted for by any reference to free imports.

(4) *Foreign and Colonial Investments.*—Throughout the period of this unprecedented accumulation of wealth, we were lending money to all the world for many purposes besides railways, and were paying the loans in the concrete form of exported goods, chiefly iron.

Finally, before we close our review of the period, let us glance at the true connection between cheap food, national prosperity, and commercial progress. The following table compares the prices of wheat with the value of exports in the years of maximum trade after the repeal of the Corn Laws:

Price of wheat per quarter	s.	d.	Exports.	Million £
Average before Repeal, 1841-5	54	9	Average 1841-5	54
Price after Repeal . 1846	54	8	57.8	
1853	53	3	98.9	
1860	53	3	135.9	
1866	50	11	188.9	
1872	57	0	256.3	

Throughout the period the price of bread rather rose than fell, the price of meat rose remarkably, and the cost of living as a whole increased under free imports. But the nation had higher profits and higher wages, and preferred them though food was dearer than before the repeal of the Corn Laws. In other words, it is successful production that creates prosperity, not cheap consumption. This fact disposes with final effect of the "historic claims" of Cobdenism, and forms a sufficient refutation of the charlatan cries which are now used to alarm the people. Free imports did not reduce the cost of living. Neither will preference raise it. But Mr. Chamberlain brings the nation back to the main point of national economy when he tells it that successful production and competitive progress are the vital conditions of popular welfare, and must be the main objects of commercial policy.

THE THIRD PERIOD, 1873-1903.—The whole basis of Cobdenism was in reality destroyed by the Treaty of Frankfort. Little as we perceived it at the moment, it was a greater blow to the position of England in the world than to that of France. It opened a new economic epoch ; the industrial awakening of the Continent and America was at hand ; and with it the end of the manufacturing monopoly we had held for a century. "The hour had struck though we heard not the bell," and our position under free imports was soon to be as though a man should find himself engaged in a struggle against well-armed opponents with nothing to depend upon but his great bodily strength and a total absence of weapons. One of the most singular processes in history has been the extent to which England herself has equipped her rivals for the struggle against her trade. For the last fifty years a large part of her trade has constantly consisted of exports for helping her competitors to dispense with the other part of her exports. For decades we had been providing other countries with the two chief requisites of modern production—capital and railways. In the last thirty years by far the most progressive staples of our exports have been machinery for enabling mankind to dispense with our textiles, and coals, which assists their iron and steel manufacture to dispense even with our machinery. In this sense foreign competition is our own Frankenstein's creation. The process was unavoidable. But it creates a situation in which free imports do not assist us, for it has brought to an end the whole theory of international division of employments upon which the Free Trade doctrine rested.

We have pointed out the fundamental contradiction of that doctrine. It assumes the natural state of individuals to be one of competition and the natural state of nations to be one of co-operation. It teaches in each case the profound fallacy of half-truths. Trade Unions in England have proved the power of combination to be as strong as the power of competition when it comes to the contest between capital and labour for the sharing of the profits. The American Trusts, which are permanent in their nature whatever superficial observers may think, and will become more formidable than before when financial disaster compels them to reorganise upon a sound basis, have proved that combination may be a stronger factor than competition in enlarging the mass and reducing the cost of production. Upon the other hand a quite opposite qualification of the Free Trade doctrine of international commerce is true. In that sphere the force of competition continually tends to become

more prominent than the factor of co-operation. This may be better understood if stated in yet another way. The free imports doctrine assumes that all imports are equally useful because they must be paid for by exports of one kind or another. But this denies altogether the existence of foreign competition—which is absurd.

There are some things in commerce which nations cannot leave to chance or the blind conflict of their human atoms. If our textile and metal trades were destroyed, for instance, by an immense influx of foreign manufactures, we could pay for what we received by mining an enormous quantity of coal and depleting our mineral deposits at a rate which would exhaust them in twenty years. The Cobdenite doctrine, that imports must be paid for, would be perfectly demonstrated in that process. In the meantime our manufacturing industries would be destroyed—and when the coal was done everything would be done. It is, therefore, theoretically false and practically fatal to assume that all imports are equally useful and all methods of paying for them equally profitable. Yet the whole doctrine of free imports rests upon this falsehood. If international division of employments were complete there could be no such thing as competition. The farmer does not compete with the smith, nor the tailor with either. But, as we have explained, the doctor does compete with the doctor for practice, and the lawyer with the lawyer for briefs. America, Germany, France, Belgium, and now Italy—all these countries alike are manufacturers, as we are—and already in several respects to a greater extent—of iron and steel, machinery, cottons, woollens, linens, hardware, earthenware. More and more the characteristic of the situation as between these nations becomes the identity of their employments. Each aims at rising as high as possible in the scale of employments. They compete with each other ; they endeavour to oust each other. If their efforts are made far easier in one country than in any other, the process may go too far. We are exporting more and more coal. Free imports of iron and steel and textiles are more and more attacking our greatest industries. The undoubted, the inevitable tendency of that sort of exchange is to drive us from the higher employments to the lower. Politicians who do not understand that point are unfit to legislate ; and professors who show in public manifestoes, that they do not understand it are unfit to teach.

The desire of other nations to develop the superior employments which we formerly monopolised, and to preserve them when obtained, is the whole secret of the Protectionist action,

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There is nothing mysterious in it. It is the simple counterpart of a man's desire to rise in the world and to give in private business no unnecessary assistance to a competitor.

The decisive factor of foreign commercial development during the last generation has been the rejection of free imports and the adoption of the tariff systems, which are, in the first instance, a means of defence for the home market, and have become more and more in recent years, as will be seen, the most powerful weapons of attack upon foreign markets. It remains to sketch in rapid outline the general history of the tariff movement, before entering upon the closer analysis of its results to British industry.

The example was set by the United States with the close of the Civil War, when the Republican manufacturers exploited the feeling against this country to promote Protection in earnest. No one profited by this movement more than Mr. Andrew Carnegie, and no one has explained it more clearly.

During the war for the Union [he writes] the American people were hurt and incensed by hostility shown, not by the Brush people, but by the British Government. They determined to limit the use of British products as much as possible, and especially to be independent in the supply of iron and steel—the sinews of war. The *Alabama* gave us thirty years' continuous Protection, and enables us to invade Britain successfully with our steel. The Government asked manufacturers how much would induce them to enter the new business of making steel. Thirty per cent. duty was asked and obtained. All know the result; not only is the American market supplied with cheaper steel than any nation in the world, Britain not excepted, but it is certain that a large part of the world is to be supplied by the works of this country.

The Cobden Club is obviously to be congratulated upon its inimitable ally, who so admirably explains both the merits of a 30 per cent. tariff in America and the necessity of keeping an open market in this country for the steel produced under that 30 per cent. tariff. But Mr Carnegie has learned the science of industrial success upon a colossal scale of practice, and it would be impossible to compress the whole argument against free imports into a more pithy paragraph than the following. For the edification of British professors it is much to be commended :

At first European makers could dump their steel upon the market and force American makers to accept for their entire output the extreme low rates, which had only to be taken by the invader for a small part of his. The party in control of a profitable home market can successfully invade the foreign markets. In recent years it is the American manufacturer who is dumping his surplus in foreign territories. First conquer your home market and the foreign market will probably be added to you is the rule with manufactures in international trade.

France followed. The dream of cosmopolitan brotherhood so far as she was concerned was at an end with ~~different~~ and

she realised that for nations the world was, after all, a severely competitive institution. Almost from the moment of the conclusion of peace Thiers had endeavoured to press a protectionist policy. The Republic hesitated for ten years, but the decisive step was taken when the tariff of 1881 raised the average scale of duties by more than 20 per cent. England protested that the movement was a violation of Cobden's reciprocity treaty. France made the unanswerable reply to the diplomatic futility of free imports. The British market was free to all countries alike. Since France enjoyed no special privileges in the British market how could we claim any special exemption from French duties?

But Bismarck, above all, was the destined enemy of the Cobdenite creed. He had attacked and broken its whole conception of international policy. His social legislation repudiated its *laissez faire* conception of domestic policy. And he now gave, for all Continental purposes, the final blow to its fiscal policy. He appealed to the Reichstag with his usual Shakespearean good sense :

We have thrown open our doors to the imports of foreign countries, and we have become the dumping ground for the over-production of all these countries. Swamped by the over-production of foreign nations, Germany has seen prices depressed and the industrial development of our whole economic position compromised. If the danger of Protection were as great as we are told by Free Trade enthusiasts, France would have been impoverished long ago; for she has had Protection since the time of Colbert, and she should have been ruined long ago upon all the theories by her economic policy.

He summed up the case in the passage of extraordinary force and prescience, which appeals more strongly to England now than it did to the Reichstag in 1879 :

I base my opinion on the practical experience of our times. I see the countries under Protection prospering and the countries under Free Trade decaying. Mighty England, like a gladiator, came out into the open arena, after she had strengthened her sinews, and said, "Who will stand against me?" But England herself is slowly returning to Protection, and some years hence she will adopt it, if only to save her home market.

Bismarck was vehemently resisted by the majority (though supported by the ablest) of the professors; by the doctrinaire Radicals; and by the Hanseatic cities, which were as much opposed to him as is Lancashire to Mr. Chamberlain—not foreseeing that they would profit almost more than any other portion of the German Empire from the brilliant result. But supported by the agrarians and the manufacturers alike, the Iron Chancellor triumphed; and his triumph made a profound impression on the world. Everywhere, except in England, it was realised that the free imports doctrine had received its death-blow. England might endeavour for some time to

persevere in the practice of that policy ; but the whole theory upon which it rested had been destroyed by the logic of facts. It was founded upon the co-operative conception of international relations. It was overthrown by the competitive reality of international relations. Where there is no rivalry in trade, free imports of commodities, which a country requires and does not produce, must be desirable and cannot be harmful. When rivalry appears—that is, when true division of employments ceases and identity of employments in vitally important industries begins—the case is altered. It is the obvious interest of a country to concede only the minimum of facility to the necessarily dangerous aims of foreign competition. Free imports give the maximum of facility to foreign competition. This is why every other country has already abandoned them, and this is why they must be discarded here, if our status as a commercial great Power is not to be irrevocably lost.

The motives of the Protectionist reaction, therefore, may be summed up as follows :

(1) The raw materials of all leading manufacturing industries being widely spread and easily procurable, no great nation has been, or will be, content to have only the inferior employments, and to remain without the superior employments. When the work of establishing the latter in the face of a long-established rival like England is undertaken, free importation from such a country must necessarily be stopped. America after 1866 was not willing to leave manufacture to England. The Continental nations after 1873 were equally unwilling to leave industry to England, and to leave agriculture to America.

(2) With the crisis of 1873, when our exporting force was relatively at the highest point it can ever reach, our power of dumping British goods in every accessible market made the position of the foreign manufacturer untenable, and threw foreign workmen out of employment in the industries like iron and steel, which other countries were commencing to create.

(3) In the later 'seventies the inundation of American corn began ; and no great European country, not an island and not possessing the command of the sea, could afford to have its agriculture destroyed and to abandon it as we did. Protection had to be restored or increased in the interests of agriculture.

(4) Protection, having become indispensable for agriculture, was bound to be extended to manufacture, upon the principle of equal treatment.

(5) In the United States and upon the Continent after the era of war, with railway development, increased national debts and colossal armaments, the tariff had become necessary for

revenue if the weight of national taxation was to be borne with the minimum of national strain.

(6) Subsequent experience proved that the evils prophesied by the Free Trade theorists never occurred, and that the tariff, on the contrary, was successful in every country beyond the anticipations of its advocates. It proved everywhere to be a stimulating and creative influence upon domestic manufacture and foreign commerce alike. It increased wages no less than profits. The only real danger attending it was found to lie, not at all, as the Free Trade theorists imagined, in the restriction of production, but in the quite opposite direction of super-abundant production. This may lead from time to time to crises such as we have seen in Germany and may see in America, and such as we ourselves were familiar with in the most progressive period of our trade. But every such crisis involves an effort on the part of the protected country concerned to relieve its market by dumping in ours. It ends, as we have seen in the case of Germany, and as we shall see to still more formidable effect in the case of America, if we wait for the example, in permanently strengthening the exporting power of the protected country, while leaving the "free importing" country in a weaker position than before for home production and foreign trade alike. In short, the tariff originally adopted in every country for its negative and defensive advantages is now retained also for its positive advantages as an aggressive instrument.

What has occurred in the United States and Germany we know. They have both proved the superiority of the American system over the insular system. French industry was never so successful by comparison with our own as it is now under the Méline tariff. All three are gaining upon us in the older industries and so far are British capitalists and workmen from finding compensation in new directions—owing to that mysterious and fictitious mobility in which no one but an antediluvian professor can believe—that we have discovered it to be even harder for a free-importing country to establish a new employment like the electrical or the motor-car trade in the face of protected competitors, than to defend an old one like the iron and steel, the woollen, linen, or even the cotton manufacture. Belgium, Switzerland, and above all, Italy—in which the Lancashire mills are beginning to find one of their keenest competitors—were never so active and successful in manufacture and export as they are to-day. Those facts are known to every Englishman who lives abroad. But not only do all foreign countries reject our system. Our own Colonies reject it. The Government of India rejects it. Canada is applying

the fiscal methods of the United States with the same success. In Russia the indescribable poverty, ignorance and backwardness of the peasants retards the success of M. de Witte's system, for it is an unchangeable economic law that agriculture must be prosperous before manufacture can arise. But here also a first-class industrial State will ultimately be created upon principles which are a thoroughly reasoned repudiation of Cobdenism. For the tariff means a stronger home-market ; it weakens the countries excluded from that market ; and, therefore, as the Republicans were never tired of repeating when the tariff struggle was fought out in America, it increases the competitive power of the protected country even in markets abroad.

Ludwig Bamberger, the shrewdest leader of the old Free Trade struggle against Bismarck, wrote the historic epitaph of Cobdenism when in 1896 he used these words : "Free Trade in Germany is finally disposed of (*grundlich aufgeräumt*), and no practical politician, even if he had the power, could think of altering that situation." It remains to be seen how British trade has been affected by the universal movement which has destroyed for ever our old manufacturing monopoly, developed the full power of foreign competition, substituted identity of employments as between the leading industrial States for division of employments, and has barred all the chief markets of the world against a country which still throws open its own to every comer.

## IX

When we approach the figures of British trade for the last thirty years it is with the intention of proving, with complete certainty and beyond all possibility of question, five main facts :

(1) That since the appearance of foreign competition our export business under free imports has been less progressive than that of any other civilised country.

(2) That our exports to the competitive and protected countries, apart from coal, have been declining in value rapidly and without interruption since 1872, and are not only lower in point of value than they were in that year, but are actually lower than they were in 1866—nearly forty years ago. We shall equally show that this portion of our trade has been not only sinking in value but has long been stationary in volume.

(3) That our trade with neutral markets, on the contrary, has shown a slow increase in value throughout the period and a considerable increase in quantity, though relatively to their expansion we have lost some ground in these markets also.

(4) That British trade with British possessions, and with them alone, has shown a remarkable increase both in values and quantities.

Different views may, of course, be taken as to the meaning of these facts, and as to their true bearing upon the present fiscal controversy. But the facts themselves are accurately asserted in the statement we have just given, and are not susceptible of disproof. All opinions, whether upon the one or the other side of the discussion, must be adjusted to them. No changing of the basis of comparison from 1872 to any other year, whether before or after that date, will alter the contrast between the decline of British exports in protected competitive markets, their slow and slight increase in neutral markets, and their steady and large increase in Imperial markets.

The first difficulty in entering upon an inquiry of this nature is to choose a period before foreign competition which can be accepted as a fair standard of comparison with the existing period under foreign competition. If 1872 and 1873 are to be ruled out because of the influence of the Franco-Prussian War, coupled with the opening of the Suez Canal and railway speculation in many parts of the world, we must rule out all previous years of booming trade upon precisely the same principles. The American Civil War, and the Austro-Prussian War, the Italian national struggle, the Crimean War, and the political unrest after 1848, all helped, as we have seen, partly to increase demand for British goods, partly to postpone the era of foreign competition. Throughout the whole period railway construction and speculation formed a decisive factor in forcing up our trade returns. The gold-finds in California and Australia were a more abnormal factor of inflation in the 'fifties than anything in the circumstances of the early 'seventies.

If, therefore, we are to take any point of departure at all we must take 1872 (though we shall be careful not to rest the argument, as will be seen, on the evidence of that year alone) for the simple reason that it was our maximum year before foreign competition, as 1890, 1900, and 1902 'have been our maximum years under foreign competition. We must take it again for the simple reason that our trade with the competitive countries reached its climax then, and from that point declined—our necessary business being to show the course and to examine the causes of that decline. Prices, again, in 1872 were high for all countries alike, and for all classes of our trade alike; and yet from that date the value of our colonial commerce has continued to increase as unmistakably as the value of our foreign trade (apart from coal) has continued to shrink. What we have to investigate is the comparison between our own progress and that of other countries, and the contrast between the movement of our Imperial trade and the movement of our foreign exports. It is, therefore, not

possible to ignore 1872, and we have traced rapidly the history of our trade up to that date, and must follow it from that date. And, finally, we shall remove every objection to it by contrasting its conditions with those of 1866 and of 1875 as well as of subsequent periods. The Cobden Club side of politics will perceive, therefore, if they consent to follow these pages, that there is no escape from the broad conclusions set out at the beginning of this section, apart from the importance to be attached to them or the opinions to be deduced from them as to our future policy. To meet the further obvious objection it had better be stated that imports are not to be ignored, but will be separately examined in their proper places.

Let us obtain a view then, to begin with, of the great decline that occurred after the great climax. For the first time since free imports were adopted there were several lean years, and British trade sank without intermission as follows :

I. BRITISH EXPORTS, 1873-1879.

	Million £.		Million £.
1873 . . .	255.2	1876 . . .	200.6
1874 . . .	239.6	1877 . . .	198.9
1875 . . .	223.5	1878 . . .	192.8
1879 . . .	191.5		

In the year of the Midlothian speeches, therefore, trade was lower in total value than it had been for a decade, and profits were lower than they had been for a generation. This fact played its irrational and disastrous part in returning Mr. Gladstone to power. The conditions were of a character to which in the days of our pride we had become wholly unused. We have since become familiar with their recurrence after every cycle of good years. We have shown what was the duration and depth of the great depression, and close attention must be given to it because our trade with the competitive countries has never really recovered, as will be seen, from the decline it underwent during that period. Our next purpose must be that of showing the fluctuations of our exports throughout the whole period of foreign competition upon which we had now entered.

II. TOTAL EXPORTS OF BRITISH PRODUCE, 1872-1902.

(IN YEARS OF MAXIMUM AND MINIMUM TRADE)

	Million £.		Million £.
1872 . (max.) .	256.3	1894 . (min.) .	216.0
1879 . (min.) .	191.5	1896 . (max.) .	240.1
1882 . (max.) .	241.5	1898 .. (min.) .	233.4
1886 . (min.) .	212.7	1900* . (max.) .	282.6
1890 . (max.) .	263.5	1902† . .. .	277.6

\* Excluding new ships not included in returns for previous years, value £8,900,000.

† Excluding ships, £5,900,000.

If these figures are compared with those we have previously given it will be observed that the total increase of British exports during the last thirty years—£21,000,000—is less than was the increase in any one five-year period between the repeal of the Corn Laws and the Treaty of Frankfort. Not only so, but when we come to the question of quantities we shall see that the expansion of British trade in volume during the last generation has been very much smaller than it was in the generation *before* the introduction of free imports. When we reach the period, therefore, of protected foreign competition, something has evidently happened to British trade. This appears at the first glance, but to realise the full extent and seriousness of the adverse change we must look much deeper. We must divide our trade into its two broad divisions—the foreign and the Imperial; and we must contrast the progress we have made in each of these departments with the rate at which the commerce of our competitors has advanced. Take, therefore, another table, and one of fundamental importance to the argument :

COMPARATIVE EXPORTS, 1872-1902.\*

	1872. Million £.	1890. Million £.	1900. Million £.	1902. Million £.	Increase or Decrease since 1872.
Exports of British Produce—					
(1) To British Possessions .	61	87	94	109	+ 79 %
(2) „ Foreign Countries .	196	176	197	174	- 21 %
Total . . .	257	263	291	283	+ 10 %
German Exports . . .	116	166	238	241	+ 108 %
French „ . . .	150	150	164	170	+ 13 %
Belgian „ . . .	42	57	77	74	+ 76 %
Italian „ . . .	46	36	53	59	+ 28 %
United States Exports . . .	89	176	304	282	+ 217 %

This is a very remarkable table, and it is in reality far more so than appears at first sight. The basis of comparison, 1872, is the same for all, and is fair for all, because prices were relatively as high or higher for agricultural exports in that year than they were for manufactures. New ships are included in our totals for 1900 and 1902, as well as in the German totals. Yet we see here three things. The first point is that our total exports show the least relative increase of any, and that the absolute increase of value is not only less than that of America and Germany, but is also less than that of little Belgium. The second point is that the rise of British trade with British possessions is as remarkable and satisfactory in its way, all

\* From the articles upon "Imperial Reciprocity," in the *Daily Telegraph*, which have attracted wide attention and have subjected, for the first time, to detailed analysis the part played by coal in our export trade.

things considered, as anything in the table. But the third point, and the most significant, is that the one class of commerce in the whole list which shows a decline in value by comparison with thirty years ago, is our export to foreign countries. That, and that alone, we see is the retrogressive department of British trade, and the case with regard to it is far worse even than it looks, as will presently appear. Another point to be most carefully borne in mind is that in the comparative totals our exports now include much more raw material and a smaller value of manufactures than at the beginning of the period, while the returns of every one of the other countries include a much larger value of manufactures than they exported in 1872. Thus far for the test of values in showing the general stagnation of our foreign trade during the last generation.

But there has been a great fall in prices. We are told that to arrive at a true result we must calculate the huge amount our exports last year would have represented if valued upon the basis of prices in 1872 and 1873. The contention is weak. If our stagnant values represent largely increased quantities, the expanding values of trade in other countries must represent enormously increased quantities, and upon the new comparison we are where we were before. But let us make the calculation for a purpose of our own. To render the calculation useful we must classify the trade in four divisions—European, American, what we may call neutral, and finally Imperial. We must add 50 per cent. to the value of last year's exports to raise them to the level of 1872 prices. We then have the following result :

BRITISH EXPORTS, 1872-1902, CALCULATING EXPORTS FOR  
1902 AT 1872 PRICES.

	To United States Million £.	To all Europe Million £.	To neutral markets (Asia, Africa, and South America) Million £.	To British Possessions Million £.	TOTAL Million £.
1872. Exports at actual values	40.7	108.0	47.2	60.6	256.3
1902. " " "	(23.8)	(96.5)	(54.2)	(109.0)	(283.5)
1902. Exports increased in value 50 per cent. to 1872 level	35.7	144.7	81.3	163.5	425.2
Decline . . .	12%	—	—	—	—
Increase . . .	—	33%	73%	167%	66%

Even this rather pretty demonstration shows in respect of the quantities exported, which is the great developing division of our trade—the Imperial—and which are the declining or least progressive portions, the American and Continental, even

when we throw coals, new ships and everything that the Cobdenite can desire into the account. The neutral markets as we see, though far less progressive than the Imperial, are comparatively satisfactory. But if we applied this method to other countries their exports would show stupendous increases of quantities exported in thirty years—400 per cent. increase for America, 200 per cent. increase for Germany and so further. The device changes nothing whatever in the argument.

We have established the first proposition, that even when we include coals and new ships in the returns, British exports have been less progressive than those of any leading nation for the last thirty years. At the present rate of advance Germany in another dozen years would outstrip us in the race and would export not only more goods of all kinds but also more manufactures than we do. Even the increasing demand of the Colonies could not avail under existing conditions to maintain our supremacy in ocean-trade against the effect of tariffs abroad and the keener competitive energy of our protected rivals. But if we cannot maintain our supremacy in ocean trade, we cannot maintain the Empire which depends upon our control of the sea. Naval ascendency is inseparable from mercantile ascendency. Now as ever we may be assured that, ignoring temporary circumstances (such as those which recently reduced the amount of American outward trade because of the extent of her internal activity), and taking any considerable term of years together, the relative movement of our exports furnishes the real measure of our relative commercial progress. Let us not doubt that we have arrived at a critical period.

## X

We have now therefore to go below the surface of the figures. The next proposition to be established is: "That our exports to the competitive and protected countries apart from coal have been declining in value rapidly and without interruption since 1872, and are not only lower in point of value than they were in that year, but are hardly higher than they were in 1866." Here we arrive at the essence of the inquiry—alike at the most important facts and at the most interesting theoretical questions connected with it. The total increase in our coal exports during the last thirty years has been enormous. It has been so great as entirely to conceal what may be called the "process of substitution by which we are now paying for our imports with raw material where we formerly paid for them with manufactured goods. The entire increase in our exports since 1872 has been small at the best, but practically the entire increase has taken place in our coal export.

Our total shipments of that mineral since 1872 have been as follows in years of highest and least trade :

COAL EXPORTS, 1872-1902.

	Million £.		Million £.
1872	10.4	1890	19.0
1879	7.2	1894	17.4
1882	9.6	1898	18.1
1886	9.8	1900	38.6
1902	27.6		

No reasonable economist can or does object to the export of coal in itself, so long as it does not lead the country into a misunderstanding of what is really taking place. At the best the question has very serious aspects. As we deplete our mines we tend to exhaust a great stock of fixed capital. We consume what can never be replaced. The foreign demand raises the price of coal against our manufactures, and our shipments go to sustain the industrial power of our competitors. The export of coal is, on the balance, a profound disadvantage to British manufacture, since it is mainly paid for by the import of competitive manufacture. A benevolent despot might probably make the export tax prohibitive. Upon the other hand, the coal we send abroad employs a large amount of labour and shipping. Human intelligence and resource are not to be defeated by artificial measures of restriction upon the lines of Sir Michael Hicks-Beach's tax, and if our neighbours could not get coal from us, they would probably get it elsewhere, or find a substitute all the more rapidly, as Italy is beginning to do, in water-power and the turbine. The coal export trade therefore must go on, and it would be for a long period profitable to the country as a whole if the increase of our coal exports were accompanied by a proportionate increase in our manufactured exports. But this, unfortunately, is not the case. It has been pointed out that if our manufactures were destroyed we could still send abroad coal. We could, indeed, pay for the whole of our imports by sending abroad for a number of years prodigious quantities of coal. Exports would balance imports to the complete satisfaction of the symmetrical mind of certain professors. But no plain and practical citizen would regard the process as other than insane. Thus, though the present writer cannot on the whole agree with Sir Michael Hicks-Beach that our coal shipments are a trade to be restrained, it is none the less vital to our purpose that we should distinguish between the progress of our exports of raw material and the decline of our foreign trade in manufactured articles.

For this purpose it is in no sense necessary to rest the comparison upon 1872. We shall begin with 1866 and include

1875. It will thus be seen beyond question that our exports of manufactures to Continental and American markets have been declining under our present fiscal system since the age of foreign competition commenced. Let us first take our exports to Europe as a whole :

BRITISH EXPORTS TO ALL EUROPE, 1866-1902.\*

	Total, Million £.	Coal, Million £.	All except coal, Million £.
1866 . . . . .	63.8	3.5	60.3
1872 . . . . .	108.0	7.2	100.8
1875 . . . . .	90.8	7.1	83.7
	—	—	—
1882 (maximum year) . . . . .	85.3	7.1	78.2
1890 " . . . . .	92.4	14.2	78.2
1900 " . . . . .	115.2	30.7	84.5
1902 " . . . . .	96.5	20.4	76.1

The picture this seems to present seems one of stagnation. It is really one of positive decay. For if we remember the increased amount of other non-manufactured articles we export, especially including herrings, we shall see that our Continental trade ever since 1875 has been slowly but steadily retrogressive. For generations before free imports were adopted it had never ceased to increase. This is another conclusive proof that "free imports" in themselves avail nothing. In what was until recently the main sphere of our trade—the European—we had always made progress before free imports, and have only ceased to make it under free imports.

But let us bring the question to an even narrower and more striking test. The chief competitive countries under Protection are four—the United States, France, Germany, and Belgium. What has been the course of our trade with them for nearly forty years? They have vastly increased in population in the interval, and have more than doubled their consuming power. But ever since the era of foreign competition set in we have derived no benefit from their development, though they have one and all derived immense benefit from our market, and we have not quite retained the advantage we held long before the Franco-German War and the prices of 1872. The following is a particularly instructive table :

BRITISH EXPORTS TO THE "DEVELOPED" COUNTRIES (UNITED STATES, GERMANY [WITH HOLLAND], FRANCE, BELGIUM), 1866-1902.

	Total.	Coal.	Total excluding Coal.
1866 . . . . .	£67,700,000	£1,500,000	£66,200,000
1872 . . . . .	112,300,000	3,500,000	108,800,000
1875 . . . . .	78,400,000	2,400,000	76,000,000
1882 (maximum year) . . . . .	84,300,000	3,600,000	80,700,000
1890 " . . . . .	85,700,000	6,500,000	79,200,000
1900 " . . . . .	87,100,000	13,600,000	73,500,000
1902 " . . . . .	77,300,000	9,500,000	67,800,000

\* Figures partly from the "Imperial Reciprocity" articles in the *Daily Telegraph*.

This is a set of statistics to which the very closest attention must be devoted. It contains the marrow of the matter. It is not true, as we see, that our exports of manufactures have progressed parallel with our export of coal. As our shipments of raw material have risen the amount of finished goods purchased from us by our chief competitors has declined. Add 50 per cent. to the value of our exports in 1902—we are obliged to the Cobden Club for that test—and it will be seen that even in quantity we send to these five countries no more of all goods, apart from coal, than we did thirty years ago. There has been a steady and large decline from decade to decade, until last year we hardly sold a greater value of manufactured goods to the United States and the chief countries of Europe than we did in 1866, and this in spite of the fact that our American trade last year, in consequence of the temporary conditions of that market, was better than it had been for a very long period. Exclude altogether the circumstances of 1872. Start from 1882, when the Protective system was universal in these countries, or from 1890, when it was about to become more stringent with the adoption of the McKinley and the Meline tariffs. No matter which point of departure the Cobden Club prefers, it must consent to trace from that point the same process—decline of our manufactured exports to the chief foreign markets of the world, and increase of our coal exports to strengthen their competitive power. The figures we have presented show precisely where the injury to our position has occurred, and the tale they tell is one of decay. In the meantime it is to be remembered that Germany has very largely increased her trade upon the same ground. Take her commerce with the corresponding group and observe the rate of its expansion in a single decade. The figures are drawn from the latest official returns, *Statistisches Jahrbuch für das Deutsche Reich, 1903*:

GERMAN EXPORTS TO CHIEF COMPETITIVE COUNTRIES, 1893-1902  
(GREAT BRITAIN, FRANCE, BELGIUM, UNITED STATES).

	1893.	1902.
To Great Britain . . .	£33,600,000	£48,200,000
„ France . . .	10,100,000	12,700,000
„ Belgium . . .	7,400,000	13,000,000
„ United States . . .	17,700,000	22,500,000
	<hr/> £68,800,000	<hr/> £96,400,000

Germany, it will be seen, has left our total far behind in this class of trade even when we include coal in our totals. But that advantage is mainly owing to the fact that she is now able to export twice as much goods to this market under free imports as

we are able to export to her under the tariff. Only one conclusion can be drawn from these facts. It is that the countries which repel us by hostile duties from their market are better able to oust our trade from other markets. In other words protection of home industry, to return to the fundamental argument, means an unquestionable expansion of competitive power ; and free imports means a corresponding shrinkage of competitive power.

The net result is, that the whole European sphere, as well as that of the United States, is far less accessible to our trade than it was before the repeal of the Corn Laws. The direct sequel of Cobdenism, as we shall see, has been not Free Trade but less Free Trade. Nor for the purpose of our main commercial interests will there be any change in that condition. Technical education and the endowment of research upon a scale worthy of the wealth and needs of this country will be indeed excellent. But technical education as a means of recovering ground in the European market is a delusion. Our commercial future, if we are to have one, must lie, as we shall soon show, elsewhere. The system of identity of employments is largely established and will be largely extended, and the countries which can turn out their manufactures for themselves are becoming increasingly able to dispense with ours. Italy is the latest and one of the most promising candidates for industrial success. She is, for instance, at the centre of all the Mediterranean markets. Germany is at the centre in her turn of all the Continental markets. Her geographical situation helps her as much as her technique, her discipline and her persevering flexibility of character. She takes care to arrange her reciprocal treaties in ways that makes our nominal enjoyment of "most-favoured-nation" treatment to a large extent a nullity in practice. When she negotiates a new commercial treaty and discusses the readjustment of duties upon a given range of articles, she secures a larger average of reduction upon the goods in which she excels than upon the goods in which we excel. But the main point is, that as nations become self-contained the division of international employments disappears and exchange becomes less necessary. Hence they take from us more and more coal as we see, and less and less manufactures—which is the Nemesis of Cobdenism. They prefer, to an extent that is growing and will continue to grow, to receive from us the products of our inferior employments, and to return us the products of their superior employments. That is the tendency. If we allow it to work unchecked it will go very far. It is, for the rest, a very striking and significant fact that

in the last six years, while our exports to Germany have fallen very considerably in value, the increase of her trade with the only country under free imports has been greater than with all the world outside Central Europe. Her total export last year was £241,000,000. Of that amount nearly £60,000,000 went to the various portions of the British Empire. Apart from that trade, Germany as an exporting power would again be on a level with France. Yet Berlin is allowed to penalise Canada, and feeble politicians who do not know their Wilhelmstrasse talk of German retaliation if Mr. Chamberlain should propose to realise Prince Bismarck's prophecy.

There is no doubt, therefore, that for purposes of British trade, Europe must be regarded as a dying market. What is happening with respect to commercial intercourse with its leading industrial nations we have shown. Their demand has enormously expanded, but it is supplied in a far greater measure than in any previous generation by home production. Tariffs are reducing our exports, and they are reduced still further by the appearance of competitors nearer to the market. With respect to the more or less "undeveloped countries" of the east and south-east of Europe, Germany enjoys a commanding advantage on account of her geographical situation, and Italy is beginning to make her position tell. France has all the advantage upon the southern shores of the Mediterranean except in Egypt. Our political influence upon that country has improved our trade—just as our bad relations with Russia and Turkey alike have been prejudicial in both cases to our commercial interests and profitable to Germany, who has cultivated the customers whom we have estranged. The Continent will no doubt remain for a long time the second most important sphere of our export trade, but it cannot again become the most important. The ideas spread by the Cobden Club as to the relative value of the Colonies and the Continent are now far astray. It is essential that Englishmen should shake off the habit of generations, and realise that the world has changed, and should learn to look elsewhere for the future promotion of their business.

The following sets of tables will not only make this point clear, but will form the point of departure for the further purposes of this argument. The distribution of British trade may be shown thus :

I. DISTRIBUTION OF BRITISH EXPORTS, 1866.		
To Europe . . . . .		£63,800,000
" British Possessions . . . . .		53,700,000
" Neutral markets in Asia, Africa, and South America . . . . .		42,900,000
" United States . . . . .		28,500,000
Total . . . . .		£188,900,000

Here, therefore, our Continental trade still forms a third of the whole. Pass to the next year, 1872. We have this result :

II. DISTRIBUTION OF BRITISH EXPORTS, 1872.

To Europe . . . . .	£108,000,000
„ British Possessions . . . . .	60,600,000
„ Asia, Africa, and South America . . . . .	47,000,000
„ United States . . . . .	40,700,000
<hr/>	
Total . . . . .	£256,300,000

Here the European proportion of the world's demands for our goods is larger still. We take now, however, the first subsequent year of booming trade under the era of foreign competition, 1882 :

III. DISTRIBUTION OF BRITISH EXPORTS, 1882.

To all Europe . . . . .	£85,300,000
„ British Possessions . . . . .	84,800,000
„ Asia, Africa, and South America . . . . .	40,300,000
„ United States . . . . .	31,000,000
<hr/>	
Total . . . . .	£241,400,000

The feature of this table is that Continental trade has ceased to develop, and that Imperial trade is already very near the top of the list. And, lastly, let us show the result twenty years later, that is in 1902, and exhibiting the real conditions that we are dealing with to-day :

IV. DISTRIBUTION OF BRITISH EXPORTS, 1902.

To British Possessions . . . . .	£109,000,000
„ all Europe . . . . .	96,500,000
„ Neutral markets (Asia, Africa, and South America) . . . . .	54,100,000
„ United States . . . . .	23,800,000
<hr/>	
Total . . . . .	£283,400,000

Not only is the Imperial market, at the present moment, the largest department of our trade ; it is as valuable as all the rest put together, for it consists almost entirely of highly-finished goods, while, of the remainder of our commerce, fully a third part is composed of coal and half-finished manufactures like textile yarns and pig iron. Once more, as in the days of the old Colonial system, when the men who framed the navigation laws and rebated the corn duty in favour of Canadian wheat knew very well what they were about, and were sounder politicians for Imperial purposes than those who replaced them under Cobdenism—once more we must learn to regard our possession of empire as the only solid foundation of our commercial ascendancy.

•Before concluding this portion of the examination, we must

glance separately at the course of trade with another competitive market, that of the United States. Here, as we are all aware, the record is not one of stagnation, but one of complete retrogression. Before the adoption of the McKinley Bill it had fluctuated as follows :

BRITISH EXPORTS TO UNITED STATES, 1866-1890.

1866	.	.	.	.	.	£28,500,000
1872	.	.	.	.	.	40,700,000
1882	.	.	.	.	.	31,000,000
1890	.	.	.	.	.	32,100,000

What was the effect of McKinleyism may now be seen :

BRITISH EXPORTS TO UNITED STATES, 1890-1902.

1891 (max.)	.	.	.	.	.	£27,500,000
1894 (min.)	.	.	.	.	.	18,800,000
1895 (max.)	.	.	.	.	.	27,900,000
1897 (min.)	.	.	.	.	.	14,700,000
1902 (max.)	.	.	.	.	.	23,800,000

But the figures for last year were temporarily inflated by the fact that we were sending iron and steel instead of receiving them. The normal value of our export of goods to the Republic, with nearly 80,000,000 of inhabitants, may be put down at less than £20,000,000 a year. To Canada, with little more than five millions of people, we are exporting, as Mr. Chamberlain reminded us in his Birmingham speech, at the rate of £11,000,000 a year. With some development of the preference policy upon Mr. Chamberlain's lines we shall unquestionably send more manufactures to the Dominion within another decade than we do to the United States. It is often imagined that America is on the point of abandoning her tariff system. That is an erroneous opinion. Under present conditions there will be no change in the tariff from which we could derive appreciable benefit. The Trusts, as a result of their present financial difficulties, will be reorganised upon a sounder basis after the crash, and will be stronger than before for competitive purposes. But they will in no case disappear. The tariff is necessary to the Trusts, and the Trusts in their legitimate form are indispensable to the business efficiency of America. If America should ever adopt Free Trade at some distant date, it will be for the same reason that led us to adopt it, because of her conviction of being able to sweep every market to which she could gain free admittance. That would be a remote ideal under any circumstances. It never could be one that other countries would be easily led to promote. America does not need our exports, and we must accordingly become less abjectly dependent upon American imports. We must redress the

balance of exchange by commencing to purchase more and more of our food-stuffs and raw material from those who will arrange in turn to take a larger quantity of our goods. Cobden's very proper purpose was that of exchanging cottons for corn. His policy as regards America above all has been an astounding failure. America has swamped our agriculture by the inundation of wheat in which Cobden refused to believe. But she does not compensate us for the loss of our agriculture by the promotion of our manufactures. She repels them as much as possible from her market, and with free entry into this market she will make the position of the ironmasters as depressed as that of the farmer. Mr. Chamberlain, therefore, discards Cobden's policy in order to return to Cobden's purpose—that of exchanging manufactures for food and raw materials.

We are now in a position to appreciate the two statistical contrasts which sum up this part of the matter. The first shows the course of British trade, excluding coal and new ships, to all Europe and the United States taken together :

BRITISH EXPORTS TO ALL EUROPE AND THE UNITED STATES IN YEARS OF GREATEST TRADE SINCE 1866.

	To Europe, Million £.	To U.S., Million £.	Total, Million £.
1866	60.3	28.5	88.8
1872	100.8	40.7	141.5
1882	78.2	31.0	109.2
1890	78.2	32.0	110.2
1900	84.5	19.6	104.1
1902	76.1	23.2	99.3

<sup>1</sup> Remember the rapid increase in the population of these countries, the addition to their wealth, and the expansion in the value of their commerce. Remember also the extent to which we have augmented our own human and machine power since 1866. Yet there is less increase in British trade apart from coal to all these nations in nearly forty years than has occurred in our exports during the last three years to South Africa alone. And now that we have seen how British exports have fallen, let us see how German exports have risen in the same sphere. We take the latter figures once more from the latest issue of the *Statistisches Jahrbuch für das Deutsche Reich* :

COMPARATIVE EXPORTS TO EUROPEAN COUNTRIES AND THE UNITED STATES, 1902.

	To Europe, Million £.	To U.S., Million £.	Total, Million £.
• German Exports . . .	188.3	22.5	210.8
British Exports (throwing) in Coal and New Ships) } 96.5		23.8	120.3

What could be more startling than these figures? Thirty years ago we had no rivals. Now, after Cobdenism has been pitted against foreign competition our commercial supremacy in all the great civilised markets outside the flag has disappeared. We have been beaten with crushing completeness. German trade in Europe, in spite of our coal exports, is already twice as large as our own; she is already level with us in the United States, and will soon sell more to that market than we do. But what is the moral? It is obvious. Germany has created her modern trade in the face of hostile tariffs. She has faced successfully the struggle with which we have proved unable to cope. She has proved in one word that a free import system cannot stand against a tariff system. Only Protection can compete with Protection. We must either redress the inequality under which we labour, or must reconcile ourselves to becoming a subordinate commercial Power.

## X

Our third proposition, which need not engage us long, was that in neutral markets where we are on a tariff equality with our competitors, there has been a slow but distinct advance. Even here the progress has not been all that could be wished; but at least in South America and what may be called the coloured markets—the portions of Asia and Africa not under our flag—our trade has hitherto held its own with very considerable success. All these markets can still give us food or raw material for manufactures. We give the statement as follows for maximum years of trade since 1866:

BRITISH EXPORTS TO NEUTRAL MARKETS OF ASIA, AFRICA, AND  
SOUTH AMERICA, 1866-1902.

	Total. Million £.	Coal and New Ships. Million £.	Total, minus Coal and Ships. Million £.
1866 . . .	42.9	1.5	41.4
1872 . . .	47.0	2.0	45.0
1882 . . .	42.5	1.5	42.0
1890 . . .	56.2	2.7	53.5
1900 . . .	62.0	8.5	53.5
1902 . . .	54.1	4.8	49.3

In this case, as has been said already, our political relations with Japan and Egypt have kept up the returns by comparison even with 1872. New ships, in the former case, are not merely a new entry, but a really new item representing a valuable addition to trade. The figures given, however, become most instructive when they are compared with the German figures for the same markets:

COMPARATIVE EXPORTS FROM GREAT BRITAIN AND GERMANY TO  
MARKETS IN ASIA, AFRICA, AND SOUTH AND CENTRAL  
AMERICA, NOT UNDER THE BRITISH FLAG, 1902.

	South America, Million £.	Asia, Million £.	Africa, Million £.	Total, Million £.
British Exports . . .	22.4	19.0	12.7	54.1
German " . . .	10.7	7.1	2.2	20.0

In these markets then German trade, though making considerable progress, has not expanded so rapidly as in Europe. It is not yet twice as great as ours therefore, but less than half as great. What are the prospects in this direction we shall see when we come to consider the probable effects of preference upon our foreign trade? It is sufficient to point out here that the advantage we retain in all these markets, or may secure, though a valuable make-weight, cannot turn the scale in favour of our commercial supremacy. For if we put together the comparative British and German figures we have already given for the European, the American, and the neutral markets respectively, we have this most instructive comparison. Mark it well:

COMPARISON BETWEEN TOTAL BRITISH AND GERMAN EXPORTS TO ALL  
COUNTRIES OUTSIDE THE BRITISH EMPIRE, 1902.

German Exports to all Foreign Countries (except £60,000,000 to England and its Possessions) . . . . .	£183,000,000
British Exports to all Foreign Countries (in- cluding £30,000,000 to Germany*) . . . . .	£176,000,000
Excess of German Exports . . . . .	£7,000,000

This then is the sequel to Cobdenism. Our supremacy in foreign trade has already been wrested from us in spite of coal. Apart from coal our total exports to all countries outside the flag are only about four-fifths the value of our chief competitor's. Mr. Chamberlain is told that his policy will ruin our supremacy in foreign trade for the sake of the Colonies. This cannot be done. We have no supremacy in foreign trade. We are second in that department. Mr. Chamberlain's policy, as we shall show, may improve the situation and restore our ascendancy in commerce outside the flag. But if preference cannot restore it nothing can. This is the melancholy truth upon which Englishmen may be left to ponder earnestly and long. It is a foible of the Cobden Club to depreciate exports. Therein they depart very far from the principles of the very practical man whose name they bear. Cobden was, above all, a cotton manufacturer. His economic reasonings were essen-

\* Allowing three-fourths of our nominal Dutch exports to Germany.

tially the thoughts of a cotton manufacturer. For cotton then as now was the one great English trade which depended mainly upon export and not mainly upon the home market. His mind was innocent of all the laborious casuistry which his disciples have invented to conceal the failure of his doctrines. There is not one word in the speeches of the author of our present fiscal system about "invisible exports" and the balancing of the national account through interest on investments. For those very investments were created by our former success in exports and by nothing else. What Cobden believed, and what he taught this country, was that imports of goods would be paid for in a plain and solid way by the export of goods. That was his conception of a sound exchange. But that is not what happens.

By far the larger amount of British freights is earned upon imports and is included in the price to the British consumer. It is the British consumer who supports British shipping, not the foreigner—a point which, as we shall see further on, is one of the most important in the whole controversy, for it will indicate the means of keeping our mercantile, and therefore our naval, ascendancy under a system of preferential trade above the challenge of any power. We must also deduct re-exports from imports. But when we have made every possible allowance of this kind we shall find these conclusions certain. Imports represent mainly the amount of profits and employment we create for the world outside the island. Exports represent the amount of profits and employment that the world outside the island creates for us. Upon the balance of exchange in the foreign department of our trade we now create far more employment for foreigners than they create for us. Hence one of the main causes of their commercial expansion in our direction and of our loss of expansive power in their direction. Our investments, of course, go to maintain the foreign employments which to a large part compete with our own, and the amount of imports representing the interest on those investments is paid for by the interest itself. It is revenue upon capital sent abroad in the past, and calls for no product of present employment to go abroad now. No data exist for an estimate which can pretend to be exact, but the probable truth about our foreign trade is that it provides, through imports into this country, about £320,000,000 of present annual employment for foreigners, and only about £200,000,000 of present annual employment for ourselves, including all shipping freights for which the foreign consumer pays. But relative productive power, let us remember (not the merely distributive work of

transport), must determine in the end relative wealth and relative success in commerce as a whole. From America and Germany alone we take actual *goods* annually to the amount of about £160,000,000, while they take British *goods* in return to the value of only about £50,000,000. Our foreign trade, therefore, creates three times the amount of productive employment in America and Germany that it creates in the United Kingdom. As a result there must be a constant relative increase of their economic power and a relative decrease in our economic power, as we shall perceive in examining the question of imports separately. But upon relative success everything depends for us. It will not be enough for us to do a large trade upon the sea if any power is to do a larger trade.

The real problem that the Empire has to face and solve is that of developing the productive power of the Mother Country and the Colonies alike in ways that will promote exchange between them, increase the volume of our Imperial commerce, and promote therefore our mercantile supremacy. It may be shown that the policy of preferential trade reviving the historic spirit of the old colonial laws to which we owe wealth and empire alike, can be the only security for the maintenance of both one and the other under the modern conditions of commerce.

## XI

To complete our investigation of foreign trade (and before entering upon the whole subject of Imperial trade), we must examine the character and effect of our foreign imports and their real effect upon national industry. It must be pointed out to begin with that the elementary necessity of useful thinking upon the subject is to distinguish between imports and imports. The Cobden Club would have us believe that it is not necessary to distinguish, and that everything must be well so long as the volume of our imports is very large and continues to grow without ceasing. One import on this principle is as good as another import, and "a great deal better." The formula has spared two generations of Englishmen the trouble of exercising their intelligence, but no one can seriously maintain it now except an insular professor with no practical experience who has failed to keep his theoretical knowledge up to date. He does not understand his own theory indeed, and does not understand Cobden. The doctrine of Free Trade rests essentially upon the idea of international division of labour, which must necessarily mean the most advantageous conditions of exchange for all concerned. Cobden's idea, as he repeatedly expressed it in such speeches as those from which we have quoted in an

earlier part of these pages, was that "free imports" would draw foreign nations away from their weak and artificial efforts to compete in manufacture with this country, and would teach them to find their profit in providing food and raw material for our people. That was and remains the sound ideal. Cobden's error lay in imagining that the "free import" of everything would promote it. Our present system encourages the import of competitive manufactures most; it encourages the import of raw material least, and therefore encourages least the production and export of finished articles. Simultaneously the tariff laws of every other industrial nation discourage extremely the export of British manufactures. The elements of sane policy demand under these circumstances that we should reverse our present practice, and endeavour to promote our import of raw materials more and our import of competitive manufactures less. Otherwise the productive factors of our industrial power must continue to be weakened, although the increase of purely distributive profits will continue for a considerable period to conceal as it does now the full extent of the injury to the foundations of our wealth.

Let us take, to begin with, the change in our commercial relations with America. If we examine the British returns of trade with the United States for 1866 we shall see an ideal example of the kind of exchange which Cobden meant his methods to secure:

OUR AMERICAN IMPORTS AND EXPORTS, 1866.		
IMPORTS FROM AMERICA.		EXPORTS TO AMERICA.
	Million £	Million £.
Food, grain, &c. . . . .	6.0	Food . . . . . 0.2
Raw cotton . . . . .	35.0	Raw material (coal, . . . . .} 0.5
Other raw materials . . . . .	7.0	tin, &c.) . . . . .}
Articles wholly and partly . . . . .	8	Textile and metal . . . . .} 22.2
manufactured . . . . .	8	manufactures . . . . .}
	48.8	Other manufactures 5.6
		28.5

Here was the division of employment carried to what the Americans thought an intolerable length. The Far West had not been opened up. American corn had not begun to swamp British agriculture. Almost the only finished manufactures we received from America were a small quantity of clocks. Six-sevenths of our whole import from across the Atlantic consisted of raw materials for our industries; and our return export was greater in value than it is to-day, and composed almost exclusively of fully-finished manufactures. No employment whatever was injuriously affected by our imports. Even

agriculture was not depressed, and every department of our manufacturing industry was stimulated. But if we make out a rough account for 1902, the result will come out in this fashion :

## OUR AMERICAN IMPORTS AND EXPORTS, 1902.

IMPORTS FROM AMERICA.	EXPORTS TO AMERICA.
	Million £.
Food products . . . 54	Food and drink . . . 1
Raw cotton . . . 29	Raw materials . . . 3.8
Other raw materials . . . 26	Manufactures . . . 19.0
Manufactures . . . 18	
—	—
127	23.8

Thus America now sends us practically as much manufactures as she receives, and much of them of a competing kind, as we have had good, and shall have better, reason to know. Her export of raw cotton to this country is declining since she created a great cotton industry of her own, and she is beginning to meet with slight but significant success in selling cotton manufactures upon this side of the Atlantic. On the other hand the analysis of our own exports shown above is the analysis for an exceptionally favourable year as we have already explained. In an ordinary year we now send a smaller quantity of manufactures to America than we receive from her, so that, however the account between the two nations may be balanced under those circumstances, the great supplies of food and raw material we receive from her do not set up on this side the vast process of industrial activity for purposes of exchange that Cobden would have imagined. However imports and exports are balanced, it is untrue that they must always excite an equal amount of employment. Leaving out freights altogether, we pay on the average for about £100,000,000 annually of American employment, and Americans pay about £20,000,000 a year on the average towards providing British employment.

Let us analyse from this point of view the glowing story of increasing imports from foreign countries which excites the "free importer" to oratorical enthusiasm. Taking years of highest trade during the last generation, the increase has been as shown in the succeeding table :

## BRITISH IMPORTS FROM FOREIGN COUNTRIES, 1872-1902.

	Million £.		Million £.
1872 . . . 275		1890 . . . 344	
1882 . . . 314		1900 . . . 414	
1902 . . . 422			

The increase in value has thus been more than 50 per cent., while in the same period there has been no increase whatever in our

corresponding exports, and on the contrary, there has been a large falling-off in the foreign demand, taken as a whole, for British manufactures. But we must not look at the mass of our imports without inquiring into their character. We must endeavour to give ourselves a clear idea of what it is we are importing. The deplorable deficiency of a logical system of classification in the Board of Trade returns makes the task more difficult to carry out than it would be in any other country in Europe, even for the purposes of the more recent period. From 1846 to 1882 we have no classification whatever of our trade accounts into the divisions of goods distinguished in foreign statistics as follows : (1) Raw materials for industrial purposes ; (2) manufactures ; (3) articles of food and drink. If our imports and exports alike had been analysed upon this principle since 1846 many fallacies prevalent in this country, and in this alone, would have been impossible. But we possess these data at least for the last twenty years, and they are sufficiently instructive. The first object must be to discover how the increase in our imports of raw material compares with what has taken place in other countries. We are told that "free imports" are indispensable for the maintenance of our industrial position, if only because they mean a cheap and abundant supply of raw material. No modern tariff puts taxes upon raw material. It cannot become too cheap or too abundant for the purposes of the manufactures it supplies, and as to this class of our imports at least we may agree with the Cobden Club that we can never have too much of them. But Germany, for instance, places all raw material on the free list, while maintaining at the same time a tariff at an average of 17 per cent. *ad valorem* upon all foreign manufactures. Even in the United States every raw material except wool is on the free list, and in spite of her endless internal resources America is increasing her import of raw materials with remarkable rapidity. For a country like ours which above all depends upon sea-borne supplies for the crude matter of all its greatest industries, the comparative growth of consuming power in respect of those supplies must furnish an absolutely conclusive test of industrial force. We give, therefore, a table showing the rise in raw material imports of the four leading manufacturing nations during the last twenty years :

COMPARATIVE IMPORTS OF RAW MATERIAL, 1883-1902.

	United Kingdom. Million £.	Germany. Million £.	France. Million £.	United States. Million £.
1883 . . .	165	64	96	31
1902 . . .	185	128	114	69
	20	64	18	38

Clearly Cobdenism does not stand the test even of imports. Germany is increasing her industrial consuming-power more than three times as fast as we are ; the United States demand is expanding twice as fast, and even France shows a much more rapid increase relatively to the figures from which she started in 1883. But if we narrow the period under review the result is more striking still ; the full power of foreign competition has been only felt by this country since 1890, and if we draw the comparison from that year and the next maximum year of trade, 1900, we shall get a still more significant result :

COMPARATIVE IMPORTS OF RAW MATERIAL, 1890-1900.

	United Kingdom. Million £.	Germany. Million £.	France. Million £.	United States. Million £.
1890 . . .	165	89	94	37
1900 . . .	192	140	121	62
	27 (or 16 %)	51 (or 57 %)	27 (or 29 %)	25 (or 34 %)

The food that we import for our people is no test in itself of our industrial development. It represents popular cheap consumption, but it may or may not be associated with successful manufacturing production. But if cheap imports of food alone were stimulating our national output in proportion to the huge volume of them we receive, our demand for raw material should increase far more rapidly than in any country under a tariff on this side of the Atlantic. That would mean the utmost vigour of production, the maximum demand for labour, the highest level of wages, and a general prevalence of American conditions. But let us take a final table before leaving this side of the question, and we shall see that nothing of the kind is occurring.

CLASSIFICATION OF BRITISH IMPORTS FOR THE TWENTY YEARS 1883-1902.

	1883. Million £.	1902. Million £.	Increase per cent.
Food and tobacco . . . . .	192.1	224.5	+17
Foreign manufactures and miscellaneous . . . . .	68.7	119.2	+72
Raw materials for industrial purposes . . . . .	164.8	185.1	+13
Totals . . . . .	425.6	528.8	

Then we see at once that of the three main classes of our imports raw materials are the lowest upon the list in their rate of increase, and when we compare them with the amazing flood of foreign goods wholly or mainly manufactured, which have increased during the last twenty years five times more rapidly than the raw materials, we reach the contrast that destroys the

case for "free imports." We see what it really means to keep an open dumping-ground for all the countries who do their utmost to prevent us from selling. They effectually succeed in forcing down, as we have seen, our foreign trade in manufactured goods, and at the same time their competitive manufactures attack our industrial position at the centre and force British capital to stand upon the defensive. Capital in this country hesitates, and the country in which capital continues to hesitate must be lost. The vigorous impulse, the confidence, the forward spirit which are the very breath and life of enterprise must be wanting where a profound sense of insecurity and an anxious apprehension as to the future become feelings spreading through the whole sphere of business. In this one market with forty million inhabitants our competitors now sell far more manufactured goods than we sell in our turn in all the markets of Europe and the United States with their more than four hundred millions of people—and very nearly as much as we now sell to the whole world outside the British Empire. This latter statement may be illustrated by perhaps the most astounding set of figures that we have had to bring forward in these pages. We have drawn attention to the defective arrangement of the Board of Trade Returns in former years. Some commencement, however, is now being made in the work of arranging them upon the model of the German green books. The result has been to reveal the fact that the real proportion of "articles wholly or mainly manufactured" had previously been much understated. That amount last year reached the stupendous sum of £135,000,000. We can now arrive at the following statement:

1902.

Total Export of British wholly and mainly manufactured goods to all foreign markets throughout the world . . . .	£140,000,000
Total import of foreign manufactures (wholly or mainly finished) into the United Kingdom alone . . . .	£135,000,000

Practically, therefore, it comes to this. In our foreign trade there is no such thing as a net export of manufactures. Foreign countries measure the progress of their competitive ability by the true test. They deduct their imported manufactures from their exported manufactures, and the balance in favour of the latter shows the degree to which they are succeeding against foreign competition. France, for instance, steadily increases the exports of her own manufactures, but during the last twenty years she has not increased at all her purchases of foreign

manufactures. Germany reverses our example. Her more or less finished imports progress as slowly in value as do our raw materials; but her raw materials grow in value as rapidly as does our import of more or less finished goods. Upon this test again the argument for free imports breaks down. The tariff is expressly meant wherever it is adopted to keep down the influx of foreign competitive goods in order to secure the fullest development of home production, and to enable national industry through that fact to compete with more effect abroad. In every industrial country under the tariff, therefore, the "net export" of manufactures is an increasing quantity. In the only country under free imports it is a diminishing and disappearing—apart from our trade with the Colonies it is practically an already vanished—quantity. When, as a result of this double-action of hostile tariffs against ourselves and free imports in favour of our rivals, we find that German total trade to foreign countries is now larger than our own, and that we have already nearly reached the point where we shall receive more manufactures from our continental and American competitors than we now sell to all the foreign markets of the world put together—when this is our position, it is in vain to talk of our commercial ascendancy outside the Empire. There it has ceased to prevail. If we relied upon our foreign commerce alone and persisted in the fiscal system which promotes the competitive progress of all our rivals and retards our own, we should have to regard ourselves as a decaying nation both in commerce and power. Our supremacy in the trade of the world is henceforth a question of defending and developing our supremacy in the trade of the Empire.

## XII

Another fundamental question now remains to be discussed before we can enter with profit upon the closer examination of Imperial trade and Mr. Chamberlain's proposals. We have seen that free imports have resulted in the loss of our ascendancy in foreign trade. What, we have to ask ourselves in the next place, has been their effect upon the commercial interest, that is incomparably more important than foreign trade—our home trade? The total value of our home production is generally taken to be eight times the value of our exports. In the absence of a complete industrial census for this country that estimate is a guess, but when we are dealing with round numbers of great magnitude, it may be taken as a basis to work upon. Last year our total exports were £283,000,000. If this is to be taken as the index, and

to be multiplied eight times, we shall arrive at more than £2,000,000,000 as the aggregate annual value of home production. "Buy in the cheapest and sell in the dearest market" was the watchword of Cobdenism. It is an admirable principle if you are only allowed to act upon it. But in practice it has proved a pious aspiration, and not a maxim which it is possible in international business to apply. We may buy in the cheapest market to any extent we please under free imports so long as our wealth remains, but tariffs are a means of preventing us more and more from selling in the dearest market. They prevent us to a further extent from selling what we most wish to sell where they do not prevent us altogether from selling. In every competitive country the natural expansion of our trade has been kept down for a generation. It does not increase. Apart from coal it steadily declines in value and in character. "Buying in the cheapest and selling in the dearest market" was always a feasible operation when the complete international division of employment really existed for our purposes ; when this island was the one great industrial workshop in an agricultural world which had to have our manufactures or none. But the appearance of identity of employments has changed all that. We have had to learn what even America will one day learn, that as no man is indispensable no nation is indispensable. We must still live, but our neighbours no longer see that necessity.

The maxim of the universal revolt against Cobdenism, on the other hand, has been this very different one : "Take care of the home market and the foreign market will take care of itself." This principle has been adopted in many countries, and has been successful in all, for reasons that may be quite clearly shown. It has the immense advantage over the catchwords of the Cobden Club that it looks first to the only market of which a nation can make itself perfectly sure, and it makes sure of that market. The base of national industry being secured, the uncertainties of external trade can be faced with more confidence, and therefore with more success. This has been so in countries differing in circumstances to the extremest extent conceivable—the United States, Germany, France, Belgium, Switzerland, Italy. The inexhaustible ingenuity of the Cobden Club invents a separate explanation for the progress of each one of these countries under Protection. But, after all, there is a limit to the resources of special pleading. These countries have nothing in common but success and the tariff, and the plain man will continue to think that circumstantial evidence is especially convincing when we invariably find the trout in the milk. In national industry ~~some~~

trade is the foundation and foreign trade the superstructure. If the latter, over a considerable period of years, shows alarming tendencies to collapse, the real reasons must be looked for in the conditions of home production. We shall see how free imports affect national industry as a whole, and the permanent conditions of competitive power.

Let us indicate in the first place, in a still more instructive form than before, the parallel process by which our exporting power has been progressively weakened as our imports of foreign manufactures have increased upon an extraordinary scale. The following table shows the comparison for thirty years between these two classes of trade and the remarkable decline of our net exports :

MANUFACTURED EXPORTS AND IMPORTS, 1872-1902.

	Exports—British Manufactures. Million £.	British Imports of Foreign Manufactures. Million £.	Net Exports. Million £.
1872	... 236	... 35	... 231
1882	... 217	... 52	... 165
1890	... 230	... 63	... 167
1902*	... 229	... 99	... 130

These exports are the index of our competitive power in the markets of the world, and they show that although 1902 was a better year than 1900 for our shipments of manufactured articles, they did not reach the values of 1890, when our population was considerably less, and were still more below the values of 1872, when our population was but two-thirds of what it is now. Pass to the figures which show the competitive success of the protected countries in our own market, and we see that this index points to the fact that foreign goods are now swamping in at a rate of increase which leaps upward by thirty millions sterling a decade, and goes on without pause or check from year to year. In this portion of the world's trade, and probably in this portion alone, there is no such thing as fluctuation. The thing goes on with remorseless and monotonous regularity, rising year after year without intermission through good times and bad. Nor do the figures we have just given disclose the full gravity of the case. Upon the new form of summary adopted by the Board of Trade the true state of the case is revealed as follows :

MANUFACTURED EXPORTS AND IMPORTS, 1902.

British Exports of articles wholly or mainly manufactured . . . . .	£235,000,000
British imports of articles wholly or mainly manufactured . . . . .	135,000,000
Balance . . . . .	£100,000,000
Excluding, for comparative purposes, new ships, value £5,900,000.	

That balance for all practical purposes represents Colonial trade exclusively, but it is certain that under our present fiscal system we should reach in less than twenty years the time when our net export would be extinguished—when the country forming the common dumping-ground for the workshops of the world would no longer be able to pay for its manufactured imports alone by the whole of its manufactured exports. In what mysterious fashion we should then balance our little bill of some £400,000,000 annually for food and raw material—that may be known to Providence and Sir Francis Mowatt. But now let us turn to another table still, which shows yet more clearly that we suffer from some malady of the home market—that the complaint of British commerce is a weak action of the heart. The figures show the course of our two staple trades, textiles and metals, for the years of maximum trade since 1866 :

EXPORTS OF STAPLE MANUFACTURES, 1866-1902.

	1866. Million £.	1872. Million £.	1882. Million £.	1890. Million £.	1902. Million £.
Iron and steel, machinery, hardware and cutlery . . . .	25.8	49.3	47.5	50.6	49.8
Textiles(cottons, woollens, linens, apparel, haberdashery) . . . .	100.7	113.8	95.8	95.8	93.5
Total . . .	126.5	163.1	143.3	146.4	143.3

Now it is upon the success of these two great groups of industries, iron and steel and textiles, that the maintenance of our whole trade depends. But these English staples, which were unchallenged in the world before the era of free imports, show, except in the single item of machinery, either an ominous shrinkage or a disquieting stagnation. Our cotton export has never gone much beyond the figures reached at the close of the American Civil War. It is not a progressive industry. It marks time but marks time with difficulty. Of woollens we export less value than we did in 1890, less than half what we did in 1872, less even than we did in 1866. Since the latter year our exports of linen manufactures have never ceased to decline.

In the meantime, in spite of the illusion that a country under free imports must have cheaper supply of raw material than Protected countries, the consuming power of our competitors has been steadily enlarged. Our own consumption of raw cotton, wool and flax taken together has been stationary since 1890, when the change in the conditions of our trade began to enter upon its most serious phase. In the meantime, Germany, France, Belgium, Italy have, on the average, doubled their imports. Less than half the American exports of raw

cotton now go to the County Palatine, and little as Lancashire is willing to believe it, the conditions of her trade under the present fiscal system are likely to become more precarious than those of any other industry except iron and steel. The American cotton manufacture is already as extensive as the British, and it is only in its infancy. The success it has already achieved in the Far East points to a great development in the future, and the firmness of Washington diplomacy at Pekin is largely due to the conviction of Americans that their cotton export will be as dominant in the Chinese market as is ours in India. The United States last year sent fourfold the amount of cotton goods to the Far East than they did ten years ago. And they have already effected a lodgment in India. This is a point to which we shall return in reviewing the probable effect of a preference policy upon the various classes of our trade. Lancashire also would find her clear account in the reservation of the Imperial market for Imperial trade as America reserves her own market for her own cottons.

But for immediate purposes we have to deal with a more serious question. The position of the iron and steel trade in this country will play the largest part in deciding the direction of tariff reform in Great Britain just as the same industry did in America after the Civil War, in Germany, where its situation was becoming untenable when Bismarck broke with Free Trade, and in France, where the Meline tariff was deeply influenced by the representatives of the metallurgical trades. No more significant document bearing upon the inquiry has been issued than the White Paper on "Iron and Steel," recently prepared for the House of Commons. The iron trade in every manufacturing country is the keystone of national industry. In this country it is no less vitally important than in the United States or Germany. It was the beginning of our industrial greatness. We have every facility, except indeed the tariff, for producing this manufacture cheaper than any other nation produces it upon this side of the Atlantic. If we cannot hold our own in iron and steel we can hold our own in nothing. If that is to go trade after trade must follow, for we shall never recover our ground once we have made that surrender. It is no longer a minor industry that is attacked like silk and glass and chemicals. As the Corn Laws in Cobden's idea were "the keystone in the arch of monopoly" it is certain that the iron and steel trade is the keystone in the arch of national manufacture, and if we allow it to be pulled out nothing in the fabric can stand. Our commercial ascendancy has disappeared as we have shown in respect of trade outside the Empire. Our ascendancy in the output of iron and steel had long since

disappeared. But we had yielded until within the last few years to America only. Now we have been surpassed by Germany also both in production and consumption, and nothing can be more certain than that our whole manufacturing future will be decided by the policy we now adopt with regard to our fundamental trade. When "free imports" were introduced, and for long afterwards as we have seen, there was no rivalry to British iron. What has been called "the vital and energetic principle of Free Trade, division of labour" still existed among the civilised nations. In the days of railway construction the demand for iron had never been so great, and for nearly thirty years our monopoly for all practical purposes was unbroken. In the 'sixties our output of pig iron was still twice as great as that of all the rest of the world. In the 'seventies we still made as much as all the rest of the world. In the 'eighties we were still first. In the 'nineties America surpassed us as she was bound to do. But in 1900 Germany's consumption of pig iron, though not her output, for the first time excelled our own—one of the most remarkable facts in our economic history and indeed in our history as a whole, though we gave it very little attention. Finally, in the present year it is certain that we shall be far excelled by Germany in output, and under present conditions we shall be relegated permanently to the third place. With another ten years like the last the country that made more iron and steel than all the remainder of the world a generation ago, would produce a little more than a quarter of the combined output of the United States and Germany. Let us take from the White Paper and other sources the following figures :

PRODUCTION OF PIG-IRON.

	Great Britain. Million tons.	Germany. Million tons.	United States. Million tons.
1871 . . . . .	6.7	1.7	1.9
1880 . . . . .	7.7	2.7	3.8
1890 . . . . .	7.9	4.6	9.2
1900 . . . . .	8.9	8.5	13.8
1902 . . . . .	8.5	10.4	17.8

In the present year the United States is turning out pig iron at the equivalent of twenty million tons a year, and Germany is outstripping us this year in the volume of her output. But let us now take the further table showing the relative increase for the three countries in the make of steel:

STEEL PRODUCTION, 1880-1902.

	United Kingdom. Million tons.	Germany. Million tons.	United States. Million tons.
1880 . . . . .	1.4	0.7	1.2
1902 . . . . .	4.8	7.8	15.0

We have increased our make of steel threefold in this period. Germany has increased her output elevenfold, and the United States shows a twelvefold expansion. These are facts which must give us reason to reflect. It might be shown that even in France the consumption has increased at a considerably greater rate than has been the case in his country, and the same is true of other nations. The only country which is under free imports is the country which is least progressive in the central trade of modern industry. If this can happen to us under free imports anything can happen to us under that system. Our shipbuilding and shipowning are not more pre-eminent to-day than were our iron and steel trades up to twenty years ago. Yet in two decades—moments in the life of a nation—we have been pushed from our leading place to the rear position. Now the Westphalian iron industry is of all German trades the one in which wages are most nearly on a level with our own. The Lancashire cotton trade is far less powerful by comparison with the competitive manufactures across the Atlantic than the British iron trade seemed two short decades since by comparison with the American iron trade. Twenty years ago our position in the metallurgical industries seemed as unshakable as the pillars of Hercules, and even ten years ago any one would have been scouted as a fantastic alarmist who had ventured to prophesy that in the present year of grace America would make far more than double our quantity of pig iron with four times our quantity of steel, while Germany would turn out a larger quantity of pig iron and twice the weight of steel.

This is the classic instance of the position when three countries have identity of employments and two can sell freely in the markets of the third, but the third possesses no similar facility in either of the other markets. Consider the situation that is thus created. We are at the point in respect of iron and steel at which we stood when the British farmer began to be submerged by the free importation of American agriculture. This meant that land was about to be thrown out of cultivation, and that the demand for rural labour was about to be reduced. We shall see history repeating itself with considerable exactness unless we alter our methods. We shall see blast furnaces blown out, workshops lying idle, and workmen disbanded. We shall see in the British iron and steel trades a very considerable degree of ruin indeed. And after that there will not be a single industry in this island—not one—which will be able to consider itself secure, or to look with confidence to the future. We export woollen goods, for instance, to the value of £15,000,000,

and we receive in return foreign woollens to the value of no less than £11,000,000. And this is the trade of which Defoe wrote two centuries since: "Take our English woollen manufacture, and go where you will you find it. In a word, all the world wears it, and all the world, almost, envies us the glory and advantage of it." Last year foreign iron and steel manufactures came into the country to the extent of £8,000,000 sterling, a larger amount than we sell to Germany, France, and Belgium put together. For they have iron manufactures of their own, and they have also a tariff. The Cobdenite controversialist must come down from the region of optimistic abstractions and consent to consider the influence of particular conditions upon a particular English trade. The theory is that if one industry is ruined some other industry will be created. But that is not an argument likely to carry immediate weight in the ironmaking districts. It is certain that the country will not trust to the theory of automatic compensation. If our iron trade is injured deeply by the actions of foreign syndicates which are protected by the tariff from reprisals, we shall be a weaker nation than before. We shall be weaker even though our shipbuilding continues to flourish upon cheap German iron and steel until our shipbuilding in its turn is removed to the countries where the materials are cheapest.

### XIII

Mr. Chamberlain's opponents have determined not to believe in the theory of dumping with regard to iron and steel. But to fully understand that issue, we must consider both sides of it. The increase of foreign imports in this country reduces the competitive power of the trades they attack, and not only lowers the general rate of home production, but reduces exports. It is clear when a country begins to "dump" in this market the products of any given trade, that if we cannot hold our own market against the invader, much less can we continue to export to that country in that trade. The ensuing figures show both sides of the account: ●

	1891.	1902.
Imports of foreign iron, steel, and machinery from Germany (with Holland) and Belgium	£2,300,000	£8,100,000
Exports of British iron, steel, and machinery to Germany (with Holland) and Belgium	5,060,000	4,800,000

Eleven years ago it will be seen we still exported to Germany and Belgium nearly twice as much iron, steel, and machinery as we received from those countries. Now the proportions will soon be reversed. These two nations were able to send us twice as much iron and steel last year as we sold to them. Thus

British industry is ceasing to be a feeder of foreign enterprise. The Continental iron and steel trades have begun instead to feed certain British trades at the expense of other British trades. If we are once undersold then upon the Cobdenite theory of national helplessness we are superseded. The causes may be irresistible, the remedies impracticable, and the consequences good. But no nation can leave these things to the blind conflict of private atoms each pursuing its ideal of immediate cheapness without regard to the fate of his neighbour. According to the Cobdenite scheme of our national future we must depend upon the United States for the food of our people and upon Germany for the materials of our ships. This, in short, would be identity of employments—except in respect of those we had not got.

Cobden was no enemy of the agricultural interest. He hated to see land badly tilled or out of cultivation, and he genuinely believed that Free Trade could influence no rural interest injuriously. He maintained that his policy would throw not one acre of corn out of cultivation, and when he reasoned out the state of the foreign supply in Europe and America his teaching seemed to be most in accordance with common sense and probability. Those who warned the country in vain against a coming dumping-power of foreign nations with respect to corn, were actuated as plain men constantly are by the "prophetic soul" and not by the immediate state of the facts. They expected oaks to grow where they saw an acorn planted. In the case of Peter Bell's primrose, "a primrose by the river's brink, a yellow primrose was to him and it was nothing more." But when orthodox minds point out in the name of common sense that an acorn is nothing more than an acorn, after all, the free-importing attitude of mind is more serious than that of Peter Bell. It always begins by denying that a certain economic development involving the displacement of a British trade will occur ; it always ends when that displacement has happened by declaring it to be good. Cobden did not see where the agricultural inundation was to come from, and down to the 'sixties the chief writers of his school were no less sceptical. One of the ablest of them, McCulloch, wrote thus before the inundation and to every thinker on that side the statement seemed unquestionably sound : "In truth and reality improvements of all other sorts have been more vigorously prosecuted since the repeal of the Corn Laws than at any former period. There is nothing in our present condition or in that of the countries whence we draw a portion of our supplies, to warrant the expectation that it will be otherwise in time to come ; and a great deal of uncertainty must no doubt always attach to

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prospective estimates of prices; but so far as a conclusion may be drawn beforehand on such a subject, the landlords and farmers may dismiss their fears and apprehensions, if they entertained any, of ruin from a Free Trade in corn."

The process of argument it will be observed is still the same. First the predicted evils will not happen; second, they will be unavoidable and advantageous when they do. Either the beginnings of competition are so small that your fears are ludicrous, or the triumph of foreign competition is so complete that your objections are absurd; and you are struggling against economic laws if you endeavour to state the case for home industry. But in the present instance the situation is plain, and there is no limit to the possibilities of disaster that lie before the indispensable industry of the nation. We are importing £8,000,000 annually of foreign iron and steel at a moment when the colossal productive energy of America is temporarily unable to act upon this market. But it is as obvious as anything in business can be that these conditions must pass away at no very distant date, and that the American iron and steel trade will have once more a huge surplus for export. It will not be less than 2,000,000 tons. There will be no reason why it should not be 5,000,000 tons, for the apparatus at the disposal of the Steel Trust can produce as large a quantity of metal as the foreign market—which means for all practical purposes the British Empire—can be induced or compelled to absorb. When the crash came in Germany and the internal demand collapsed, there was a surplus—and the Westphalian syndicates saved themselves or at least minimised their losses in the only possible way by flinging that surplus upon the British market. The German crisis came in 1900—the result was seen in the British Trade Returns of 1901. For the purposes of the comparison between the two years it must be remembered that Rhenish iron and steel are shipped through Holland.

### THE GERMAN CRISIS AND THE BRITISH DUMPING-GROUND, 1900-1901.

	1900. Tons.	1901. Tons.
Imports from Germany and Holland—		
Pig iron . . . . .	9,000	24,000
Bar-iron, &c. . . . .	2,000	14,000
Iron and steel, unwrought	6,000	90,000
Various manufactures . . . . .	13,000	18,000
Rail . . . . .	17,000	19,000
Unenumerated . . . . .	84,000	117,000
 Total weight dumped . . . . .	 51,000	 282,000

Machinery being entered only by value, it is more difficult to

show what occurred with regard to it, the fall in price for dumping purposes concealing the real increase in the quantities dumped, but the figures are as follows :

	1900.	1901.
Machinery imported from Holland and Belgium	£577,000	£773,000

In other words, Germany was allowed to save herself at the expense of British manufacturers, who were dragged down with the fall of their rivals, but were made to fall undermost. If a tariff had existed in this market equivalent to the German duty on iron and steel, the Westphalian syndicates would have had to suffer far greater losses ; they would have been forced either to sell more cheaply still in this market, or would not have been able to sell at all. They would have had to contract their output by comparison with ours, their competitive power would have suffered a grave injury, and ours would have been improved. This is how dumping works out in practice to the progressive weakening of national industry. As a result of her crisis Germany would have been third this year in her output of iron and steel had it not been for the facilities for maintaining her output which our fiscal system affords her. But "free imports" existed, and free imports were utilised. The final effect has been to contract British output more than German, and to depress this country still further from its historic position in iron and steel. The process, it will be observed, has three stages : (a) there is a German crisis in 1900 ; (b) the Westphalian syndicates fling their surplus upon the British dumping-ground in 1901 ; (c) German output in 1902 shows a recovery accordingly, and British output a relative weakness. These stages appear very clearly in figures that we may draw again from the White Paper :

COMPARATIVE OUTPUT, 1900-1902.

	PIG IRON.			STEEL.		
	1900. Tons.	1901. Tons.	1902. Tons.	1900. Tons.	1901. Tons.	1902. Tons.
England	9,000,000	7,900,000	8,500,000	4,900,000	4,900,000	4,800,000
Germany	8,500,000	7,800,000	8,400,000	6,600,000	6,400,000	7,800,000

The ultimate effect upon productive energy we see in 1903, when Germany is exporting a million tons of her annual output to the British Empire, and is enabled by that fact to rank as the second iron and steel power. We are told with curious humour by the resolute apologists of the system which makes these things possible, that the blows inflicted by protected capital upon British capital by ruthless selling below cost price, cannot be continual. True ; but they leave as we see permanent effects upon the victim, and permanently reduce his strength and spirit by comparison with his assailant. We

can assemble the materials of iron and steel manufacture cheaper in this country than they can be assembled in Germany. We can ship the finished product more cheaply owing to our still unrivalled facilities of access to the sea. The cause of our under-production, and therefore of our competitive weakness, and our disquieting outlook in iron and steel, lies simply and alone in the hopeless strategical disadvantage under which we place ourselves by our present fiscal system. A crisis in the affairs of our rivals, so long as the dumping-ground remains open, must be a greater injury to us in the long run than to them. We can no more stay the conquest of industry after industry by foreign competition under these circumstances than we could stay the progress of a steam roller by repeating the shorter catechism.

But if this has been the result of the German *Krach* what will be the natural consequences of the American reaction? They will be destructive beyond example, and if they are allowed unchecked play in this country they will eliminate British iron and steel from serious consideration as competitive factors in the commerce of the world, and in the commerce of the Empire outside these islands. These apprehensions are not visionary but practical, and they depend upon a reasoned consideration of relative force and opportunities. They were not caused, as the *Spectator* seems to imagine, by the vapourings of Mr. Charles Schwab, nor are they removed by the fact of that individual's reputation becoming defunct. What is forgotten by our excellent *Spectator* and by the persevering casuist of the *Westminster Gazette* is that the competitive power of America has been suspended owing to the internal activity hitherto sustained by the speculative finance of the Trusts. There is no difficulty now when the Trusts are upon an unsound basis. We are sending iron and steel to America, which is a thing quite as remarkable as sending coals to Newcastle. The writer of the nimble leading articles in the *Westminster Gazette* always seems in Queen Elizabeth's metaphor like one travelling over a bog—if he paused he would sink. But if he will risk pausing and try to think it out again he will see that all the true probabilities are obviously the opposite of his conception. A financial crisis would not remove the competitive danger on the side of America. *It would create it.* America has at present no surplus available for dumping, but when internal speculation breaks she will have the huge surplus of a production now amounting to 20,000,000 tons of pig iron and over 15,000,000 tons of steel; she will have to dump that surplus, and she will do what she has always proposed to herself to do

by dumping in the only country where no tariff exists to prevent dumping. The Cobdenites may disbelieve in the invasion of steel as Cobden himself disbelieved in the inundation of corn. But the calculation rests in one case as in the other not at all upon speculation but upon a comparison of productive forces. America had the larger output of wheat and swamped the position of the British farmer accordingly. Her output of iron and steel relatively to our own will become equally large by comparison if we allow her to manufacture for the two markets as we have allowed her to cultivate for the two markets. To try to go on as if we did not perceive this would be like trying to wheel a perambulator in front of a locomotive. Here again then, to return to the fundamental idea of these pages, the doctrine of the international division of employments breaks down and Free Trade breaks down. Free Trade depends upon ignoring international competition altogether, or at least upon ignoring the fact that national interests through that competition may be collectively jeopardised in commerce no less than in war. Between the British farmer and the American farmer there was identity of employments and the former went under.

Now it requires little imagination to perceive that in iron and steel our disadvantage must be greater than it was in agriculture, and the injuries that will be inflicted upon it must not only be more dangerous but must be nothing less than mortal. There is identity of employments between the British ironmaster on the one hand and not only the American ironmaster on the other, but the German, the Belgian, the French ironmasters. So much progress has been made by the latter under the Meline tariff that even France has recently been selling pipes in the south of England at a price against which no British maker could quote. All foreign forces concentrate upon this market. The surplus of all the protected iron and steel industries of the world must flow in times of depression this way, and as they are all increasing their output faster than ours increases, the aggregate of surpluses available for dumping in the only great consuming centre which has no tariff must become immense. We already receive nearly a million tons of foreign iron and steel. American competition, when once more directed towards this country by a financial crisis or otherwise, will double or triple that quantity. And identity of employment to that extent on the part of all his foreign competitors must make the position of the British ironmaster untenable. Mr. Chamberlain's opponents cannot argue upon their own principles that the British iron and steel industry

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will not be destroyed. They must argue upon their principles no less in this case than in the case of agriculture, that it probably will be destroyed. The professors can only tell us in this case, as in the former, that we shall get another trade. What other trade? They certainly cannot tell us.

For look into the matter and apply the dissecting knife to all the elaborate fallacies of this Chinese scholasticism. What compensation have we had for the displacement of agriculture? How has it strengthened the position of our industry? The fewer persons there are upon the land the fewer are there to consume the industrial products of the cities. Has not the slow deterioration of our whole manufacturing position set in from the first and proceeded parallel with the rapid decay of our agricultural position? What staple industries have we since the destruction of agriculture that we did not possess before, or that countries like Germany and France which have preserved their agriculture do not possess? Our manufacturing prosperity and the relative wellbeing of every class of society was never so great as in 1872, when wheat was 57s. a quarter, but then wages were at a height to which in more than one trade and district of the country they have never since returned. *Wenn der Bauer hat Geld so hat's die Ganze Welt.* The farmer was flourishing, but every interest in the nation flourished with him. The success of our textile trades was at a height they have not reached since, taken as a whole. In iron and steel we still possessed not merely supremacy but the equivalent of monopoly. The only main department of our trade which has shown any increase since the rural interest was depressed has been the manufacture of machinery—which like coal and capital is to a certain extent a suicidal export equipping the textile trades of other countries with the weapons of competition—and the purely distributive business of shipping, which makes its profit indifferently from the exports which develop British industries and from the imports which may displace them. That cheaper food has made the people happier is true, but it has not made the nation stronger. We have not known how to combine, as Mr. Chamberlain at last proposes to do, cheaper consumption with successful commerce. There has been no addition to the productive power and competitive energy of the nation at all equivalent to the waste of sun and rain and earth—the only forces, as Adam Smith points out in one of his finest passages, which are always ready to produce if we will let them. As a matter of national economy the national waste consequent upon a derelict agriculture is a thing which must be measured and deducted from what we gain by sacrificing cultivation to the immediate—not necessarily the ultimate—interests of manu-

facture. That is the only way of calculating the net profit to the nation. But if we have had no real productive compensation for the decay of agriculture, still less is it possible that British capital or labour can find any compensation for the ruin under the present fiscal system of such an industry as iron and steel.

## XIV

In the urgent interests, therefore, of our home production and our foreign trade alike, we must change the system under which the basis of our industrial success and mercantile predominance has been more deeply weakened in a single generation than they had been at any period throughout the two centuries that lay between the adoption of the Navigation Laws under Cromwell and the introduction of free imports under Cobdenism. Our industries are the great pillars of which empire is the entablature, though in a sound structure its noble weight in turn should steady the columns. But in thirty years, as we see, Germany has risen to first place in purely foreign trade (leaving America out of the comparison for the moment, since her supremacy in volume of exports is due as yet solely to her agriculture); the United States has become the greatest cotton manufacturing country in the world, and is appearing in all the Eastern markets which have been the preserves of Lancashire; the great Republic, again, raises more coal than we do, and makes nearly three times as much iron and steel; while Germany in these industries has at last reduced us to the third place, though her output was contemptible and declining by comparison with our own when Bismarck shook off the economic superstition which still fetters our intelligence.

We have now to crystallise our criticism before entering upon reconstructive principles. The industrial problem of England is the problem of home production.

We have instanced the relative position of the three leading manufacturing powers with reference to iron and steel. The same consideration applies to the whole range of national industry. Consider the commercial relation in which these three countries stand to each other. By our imports from America and Germany under the free imports system we strengthen their home market to the extent of over £150,000,000—estimating the value of the goods they send us in the country of production before shipment. But by the exports we send them under their tariff system our home market is strengthened annually by only £50,000,000 a year. Apart from all questions of freight and commission—distributive and financial profits—it is certain that upon the balance of the transaction we promote the *productive energy* of our rivals three times as strongly as they promote

ours. They must gain upon us therefore, and they do, and those who secure the advantage in productive power by such a system of exchange will ultimately have it in transport also and in finance. Mr. Pierpont Morgan's greatest service has been in awakening us to this fact ; and the Cunard subsidy was the reply and the right reply, the return to the spirit of the Navigation Laws and of the old mercantile system—the spirit of tenacious self-interest which is the only possible principle of sane policy, and served the nation in better stead than all the cosmopolitan delusions we have tried as a substitute. The Cunard subsidy was a direct and necessary breach with Free Trade. The country will realise that there is no stopping at that precedent.

But if the actual relation of the three great markets is such as we have described in point of value of trade, what is the influence of that fact upon competitive conditions ? There, we repeat, is the marrow of the matter. The three countries together contain a population of nearly 180,000,000—the United States, 78,000,000 ; Germany, 58,000,000 ; England, 42,000,000. The American trader's position is the best. He makes with equal freedom for the two richest markets—his own, where the tariff gives him a monopoly, and this one, where he is as free to ply his trade against ours in competitive business as in any State in the Union. His field of free sale therefore contains 120,000,000 of people, and he is sure of two-thirds of it. The German merchant has the next best position. His field of free sale contains 100,000,000 of people, and he is sure of the larger half of it. The British trader's field of free sale, this island, contains only 42,000,000 of people—and he is sure of none of it. How can any reasonable mind demand of him that he shall display equal competitive power ? It is as impossible for him to do so as for a shop with a small custom to compete against a shop with a large one. The analogy is exact. Let us now work it out in more detail. In the first place, the British manufacturer must play for safety only. He must be forced into under-production and for this reason. If he have a surplus owing to a sudden shrinkage of demand in the home market he cannot save himself by selling it abroad even at cost price, because tariffs ranging from 17 per cent. *ad valorem* in Germany to higher scales of duties elsewhere must be paid by him and not by the consumer. He cannot sell abroad therefore except at a prohibitive rate of loss, and as in times of depression he finds himself undersold on all sides by foreign competitors even in his own market, his whole production must be dead loss. He must therefore avoid over-production at all hazards and does. This is why we are slackening down throughout our whole industrial

system, and why we show less enterprise in business than any other nation and less progress. Yet the natural energy of the race was never greater than it is to-day. The "apathetic Englishman" is a myth. He still possesses upon the average more physical vigour than any other race, and when he again feels himself living in an age with real causes to fight for, with great aims to pursue, and with a sense of national driving-power restored to national existence, it will be seen that there is nothing the matter with his mind. But he cannot give his full measure in business. He is in the grip of a theory which he does not really believe in, but which seemed in some mysterious manner to be the unchangeable policy of his country, so that he ceased to have any clear thought whatever upon the subject of fiscal policy and the true principles of commerce. He cannot compete with his rivals in their market, and in his own market he is under disadvantages to which none of them are subject. That is the Englishman's position. It is not conducive to progress. A country compelled to avoid over-production and confined to a policy, relatively, of under-production must fall more and more behind, since another disqualifying factor, as will be seen soon, enters into the problem.

The situation of the American and German manufacturer is that he can afford to play not for safety but for fortune and to pursue in every direction of business a progressive and aggressive policy. The tariff maintains a higher level of profit in every way, but not at the expense of the consumer. For the increase in wages as well as profits goes everywhere with the extended enterprise of capital and the increased demand for labour. Mr. Stephen Jeans, of the British Iron Trade Association, has declared that he knew of cases in America where production was from 25 per cent. to 30 per cent. less than the lowest cost of production he had ever heard of in this country although the wages of workmen across the Atlantic were far higher. We may also instance the case of the boot and shoe-factory in Massachusetts where a German inquirer found that all the workers received 15 dollars a week and the cost of labour nevertheless was only 40 cents a pair, while in German boot-factories the men received less than 4 dollars a week, but the cost of their labour was 58 cents on a similar pair of shoes. Both in America and Germany the monopoly of the home market does not mean indolence and inefficiency as all the early theories of Free Trade told us would be the case, but it does mean more energy in the pursuit and inventiveness in the methods of business than we have seen in this country since we learned to think that "free imports" were in themselves the one blessed and all-sufficient law of national business. The

tariff in a word justifies itself by its sheer efficiency as an economic instrument. For what really creates enterprise is the inducement of profit, not, as Cobdenism with its shallow view of human nature thought, the pressure of competition. Where competition prevails under unequal conditions, as in this country, it becomes a discouraging factor. Foreign competition being shut out from the home market industrial capital is in the enviable position of possessing both higher interest and better security. It encourages to the utmost, as our system can never do, progress, invention, enterprise, if you like, speculation ; production and if you like over-production. The recurrence of over-production is the sure sign of expansive vigour in a commercial society. It was our own complaint in the days when our profits were highest. The tariff thus stimulates home output to the utmost. But now let us see what happens when the internal vigour so nourished seeks an outlet in a country like ours under free imports and possessing enormous consuming power. The foreign competitor, with the secure profit of his home market behind him, can afford to sell at a very small profit in this country in order to make a trade and he makes a trade by degrees as we have cause to know. But when that trade becomes considerable, we have this situation. The tariff encourages foreign production by high profits and discourages British production by high duties ; the free-sale facilities of this country again increase foreign production and depress British production in identical employments. But the governing factor of successful production is quantity of output. You build a factory and have the ordinary fixed charges in connection with it. If you double your output without building a new one, your profit upon the second half of your production must be much greater than upon the first half, at equal prices. You can afford to sell the second half at lower prices than the first and still make the same profit. You can sell the second half at a price actually below the cost of production for the first half and still make a profit. You can always, therefore, hopelessly undermine a rival who only turns out half your output, by selling below his cost of production, while still making a profit for yourself. We may conceive the process as follows :

FIRST-HALF OUTPUT.		SECOND-HALF OUTPUT.	
Cost of production . . .	100	Cost of production . . .	95
Profit, 10 per cent . . .	10	Profit . . . . .	15
Price . . . . .	110	Price . . . . .	110

But now let us see how the second half might be sold at a profit below the cost price of the first :

Cost of production for first-half output	100
Cost of production for second-half output	95
Profit at 5 per cent.	4
Price	99½

The actual transactions in business life are doubtless a less simple matter than these conventional figures suggest, but they may help to explain the mechanism of underselling to the large numbers of Englishmen who find difficulty in understanding how it can pay the foreigner to sell below the cost of production. To increase output is to cheapen cost. We have shown how the tariff stimulates foreign output. It is also stimulated indirectly by "free imports" here. Our system reduces our productive energy, while the American and the German systems sustain at the maximum the productive energy of those nations. The tariff also facilitates those great capitalist combinations which are indispensable to the efficient organisation of modern business. All of us, like Mr. Roosevelt, while recognising the uses of trusts, object to the abuses, but all of us must see that we too must learn to construct businesses upon a greater scale, and to conduct business in a more daring temper. Nowhere are large combinations more needful than in this country, and nowhere would they be less dangerous. The Trade Unions form a counterpoise here which does not exist elsewhere. Trade Unionism cannot attain among the cosmopolitan millions of the Republic the power and the solidity it possesses among our homogeneous people.

We see the working of the protected against the "free imports" system in the history of the German crisis. With the collapse of the home demand the Kartels had their remedy, and were saved from the worst consequences of adversity. Free imports were an invaluable safety valve, and we have seen the part they played in relieving the German market and throwing the worst consequences upon the British iron trade. The larger German works kept their hands in employment by forcing up the export trade 50 per cent. If that resource had not been available, the domestic market of the Fatherland would have been far more demoralised than was the case, and German competitive power, by comparison with our own, would have received a blow from which it would have taken years to recover. It is a significant fact that in 1901 German exports declined in the case of almost every single country upon the Continent as well as in the case of the United States. There was only one important exception. It was, of course, the country under free imports. The ensuing table is not without interest. While our European trade has fallen off heavily in the last two years, the figures (from the *Statistisches*

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*Jahrbuch, 1903*) show how our chief competitor finds considerable compensation amongst ourselves, under all circumstances, for any shortcomings on the part of her other customers:

### GERMAN EXPORTS TO GREAT BRITAIN.

1897 . . .	£35,000,000	1900 . . .	£45,600,000
1898 . . .	40,000,000	1901 . . .	45,800,000
1899 . . .	42,500,000	1902 . . .	48,300,000

This means what every 'clear business head among the Kaiser's subjects, and many hot Pan-German ones, have learned to realise since the Birmingham speech, that the prosperity of German trade is absolutely dependent upon this market, and that British statesmanship will be able to secure the "most-favoured-nation" treatment for Canada at any time if the people of this country show, by their reception of Mr. Chamberlain's policy in the forthcoming campaign, that they mean our attitude to be vertebral and not molluscous when foreign interference with the internal affairs of the Empire is concerned. We return to the moral we have endeavoured to enforce. When over-production in other countries co-exists with free importation into this country, the result of every foreign crisis must be a violent recoil upon British industry. That is to say, we are forcibly condemned to under-production by foreign over-production, and, therefore, to a slow but continual weakening of competitive power. A financial crisis in America, as we have shown, must indefinitely aggravate that process. Dumping is not only a positive injury to the confidence and *morale* as well as to the pocket of capital in this country ; a still graver objection to it is that it saves our competitors from the worst consequences of their own crises. Both Germany and America have now an output far above the normal absorbing power of their markets, but they rely upon being always able, in case of need, to keep their works moving and their forges employed by stopping English manufactures and disbanding English labour. A British tariff checking iron and steel imports into this market would have, in a few years, a very striking effect. It would mean that we should recover primacy in iron and steel upon this side of the Atlantic, and should be a better second to America than she imagines.

We have now worked out the thesis with regard to the effect of free imports upon foreign trade and the home market. They have lost us our supremacy in the one : they jeopardise our existence in the other. Free imports are turning us more and more into a nation of distributors and middlemen. There are whole streets in the City of London almost exclusively occupied by foreign agents or by the agents for foreign firms. These

streets represent the Intelligence Department of foreign competition, and no one can accuse this Intelligence Department at least of being undermanned. Its legitimate business is to be in close touch with every part of British life, and to spy out the industrial nakedness of the land. The British manufacturer is better known to his competitors in many respects than he is to himself. The campaign against British business is promoted in this way with as much effect as though it were concerted, and at every moment of our waking lives some British consumer is being ingeniously tempted to injure the interest of some British producer and to promote some foreign interest. As a result, while distributive, commission and agency businesses and profits increase in this country prodigiously, our *productive* power, in which alone a nation can find the permanent guarantee of its prosperity, is checked, enervated and reduced. The fatal feeling spreads through the country that we are on our defence, and have reason to be content so long as we do not lose too rapidly or too much, and while public incidents like Mr. Pierpont Morgan's attempt to corner the Atlantic are avoided. Influenced, more or less consciously, by the whole feeling of Englishmen in his time that there was something predestined and permanent in our manufacturing monopoly, Cobden's ideal of Free Trade was an ideal of commercial conquest. His vision was that the products of our superior employments would reign in all the markets of the world while all nations poured into this country in tribute the products of their inferior employments. This is what Bismarck meant when he called Free Trade the weapon of the strongest, and asserted that England could never have adopted it if she had not first developed through several centuries of ruthless protection an irresistible power. America also, if in some remote day she should have developed her whole industrial forces to a point making her certain of crushing every rival—even America, which has been the protagonist of protection almost from the first moments of her independent history, might then adopt Free Trade. But for a country which has ceased to feed itself; which cannot carry on a single one of its more important industries without importing the raw material; which is repelled by hostile tariffs from the ports of other nations who have developed manufacture for themselves, and are no longer dependent upon its markets for anything but coal; which can count not one main industry secure; and which is not first and not even second in iron and steel, which is more and more excluded abroad and more and more invaded at home—for such a country free imports are no longer a sane policy. If they are a possible policy for those who think that we are condemned by our fate to sink quietly and comfortably into

Batavian repose as a second-class power, they are not a possible policy for any one who believes that there is no reason why we should lose productive supremacy upon this side of the Atlantic, or why we should forfeit our place in ocean trade within any period with which the vision of modern mankind is concerned.

## XV

For the maintenance of empire and of our historic place in commerce and upon the seas, and no less for the progress of a crowded nation in a little island, two aims must be clearly and unflinchingly pursued.

The first aim, as we have indicated, must be the security of the home market. From the purely commercial point of view it is many times more valuable than all foreign and colonial markets put together. For a vast self-contained country like the United States the importance of foreign commerce is infinitesimal by comparison with that of internal production and exchange, except indeed for agriculture, which must still export its surplus if it is to make a profit upon its entire cultivation. Germany has mainly created her present wealth by the development of her home market. The interests of the home market have always been the first care of wise legislation. And this for an obvious reason. An international transaction may be at the best of about equal profit to the two countries between which it takes place. But a home transaction of the same kind is twice the immediate gain to the country within which it occurs, for each party to the transaction profits by it, but both profits belong to the same country. This is a principle of which America has never lost sight, and her firm grasp of it gives the clue to her tariff legislation for a century. It does not mean that there is to be no foreign commerce. What it means is that foreign commerce may be as large and profitable as possible, but that it must interfere as little as possible with the development of the home market. America, as we have explained in earlier pages, had to realise from the beginning that commerce is co-operative where it represents the mutual service of different international employments, but is competitive where it represents the conflict of identical employments. All real competition that succeeds against an internal employment must be partly damaging. The home market has lost an order which would conduce to its development, while some foreign country has got that order, contributing to its possibly hostile wealth, and by transactions of the same kind frequently repeated the home market may lose not an order only but an industry or many industries. All great nations but ourselves—having

never known that old implicit belief in our natural ~~monopoly~~ which explains all our modern commercial policy—have recognised the danger to be real, and have preferred not to incur it.

They have found by experience that human nature is very differently constructed from what the early school of free importers supposed, and that it is, on the whole, more stimulated by encouragements than by penalties. So far is State support from debilitating commercial vigour that it has been found after all that enterprise is keener and more strenuous and inventive when it is secure in its profit than when it is exposed to loss. And the United States has been on the whole firm in her conviction throughout her history that the best fiscal policy in the interests of national wealth is that which makes it as difficult as possible for foreign competition to decrease total wealth by defeating the efforts of any individual citizen. There are some citizens for whom the State can do nothing, but the majority in their various walks of life are average men, neither inspired beings who delight in difficulty, and would be successful anywhere and under any circumstances, nor incompetents for whom it is useless to provide opportunity. For the average man in business at large the Republic has found that the most effective thing to do is to give him the chance in the field of domestic enterprise of making all the dollars there are, either in competition or in combination as he chooses with other American citizens, but reasonably free from foreign attempts to reduce or minimise his profits to the possible disadvantage of the State. Cobden left out the interest of the State altogether, for although he thought that the relations of individuals were governed by competition he also imagined—it was, we repeat, the fundamental contradiction—that the relations of nations were really founded on fraternity. His whole doctrine rested upon a theory of "natural aptitude" fitting every country for some particular industry. If a home trade was beaten by foreign competition that was a proof that the country had no "natural aptitude" for that trade, and would do better to let it go and find another. That was the cardinal fallacy of Cobdenism. We now know that there is no such thing as "natural aptitude" in this absolute sense. *Everything* in manufacture flourishes in America under the inducements provided by the McKinley and Dingley tariffs to national enterprise. But have we a "natural aptitude" for *anything*? Coal and iron are no exclusive possession of ours. Every country provided with coal and iron can compete in every industry we possess. Upon Cobden's theory of "natural aptitude" it would appear that the one industry in which we are inherently fitted to maintain an

everlasting superiority is—agriculture!—the yield of English land in bushels of wheat per acre being still unrivalled anywhere in the world. America from the first knew better. She did not want division of employments: she wanted identity of employments. America did not want to exchange with our goods: she wanted to exclude them in order that internal production might be as various and vigorous as possible, that domestic exchange might be as active and reproductive as possible, and that she might create, as she has done, the most powerful home market in the world.

For this economic idea she had authority in the famous passage from Adam Smith which the majority of Englishmen will read to-day with attention and conviction. No one has explained so well that a domestic transaction increases national wealth far more speedily and certainly than does an international transaction:

The capital which is employed in purchasing in one part of the country in order to sell in another the produce of the industry of that country, generally replaces by such operation two distinct capitals that had both been employed in the agriculture or manufacture of that country, and thereby enables them to continue that employment. When both are the produce of domestic industry it necessarily replaces by every such operation two distinct capitals which had both been employed in supporting productive labour, and therefore enables them to continue that support. The capital which sends Scotch manufactures to London and brings back English manufactures and corn to Edinburgh, necessarily replaces by every such operation two British capitals which had both been employed in the agriculture or the manufactures of Great Britain. The capital employed in purchasing foreign goods for home consumption, when this purchase is made with the produce of domestic industry, replaces, too, by every such operation two distinct capitals, but one of them only is employed in supporting domestic industry. The capital which sends British goods to Portugal and brings back Portuguese goods to Great Britain replaces by every such operation only one British capital. The other is a Portuguese one. Though the returns, therefore, of the foreign trade should be as quick as those of the home trade, the capital employed in it will give but one-half the encouragement to the industry or productive labour of the country.

But what would Adam Smith now think of the relative advantages of home and foreign exchange if he could have lived at a time when the foreign party to the bargain so manipulates the return transaction by hostile tariffs as to prevent the plain exchange of goods for goods? When we purchase imported manufactures we always excite productive activity in the foreign country from which we buy them, but we may, and generally do, restrain some British manufacture by depriving it of an order it might have received. Nor need any other sort of productive activity be excited amongst us to pay for the foreign import. The demand for our manufactures abroad being universally

repressed by legislation, we pay for the foreign goods by our shipping services as distributors, or by the interest accruing abroad on our accumulated wealth. But the preservation of productive power, as we have repeated again and again, is the sole guarantee of continued wealth, and the system of free imports at home and hostile tariffs abroad by which we continually develop the productive power of competitive nations who do their utmost in return to prevent by their laws the development of our creative industry—that is a system of suicidal insanity which tends with every year to bring the manufacturing development of our rivals nearer to our own.

Success is relative. When artificial inequality of opportunities is created by our rivals we have only one rational course. It is of the utmost importance that our manufacturers should have in their home market the same advantage and encouragement that all their foreign competitors have in their various home markets. It is no less important that our foreign competitors who now increase their output by working freely for the British demand against British capital and labour, should be placed under exactly the same disadvantages in this market that they choose to impose upon us themselves. Under equal conditions we shall see, for the first time, what is the real measure of national force on each side, and what is the real economic aptitude of each country. When Germany has no more leverage in this market than we have in hers the result will be a check upon German output and a stimulation of British output which will probably show in the long run that the balance of natural advantage is still upon our side. Home production, as for centuries no country knew better than England, is the original cause and last security of a nation's welfare. The creative not the distributive functions must ultimately decide commercial position. President Lincoln put the matter with excellent terseness when he maintained the extent of production rather than the cheapness of consumption to be the true measure of economic progress. "When we import what we might produce we get the goods, but the other country gets the money; but when we produce for ourselves we keep both the goods and the money." That is a sabre-cut of common sense which makes shreds of a certain manifesto. The Mandarins of "political" economy—for once well named—may be left to deal with this aphorism as they can. It is vital to this nation that we should alter a system threatening to turn a great producing nation into one huge distributing agency for foreign goods. You are told that Abraham Lincoln was wrong and that the American people—they of all persons—have been misinterpreting their true interests for a century. Do not believe it.

## XVI

That is the problem of production. There is also a problem of exchange, which for us must be more serious than it ever can be for any other nation. We alone of all the great manufacturing nations have overturned the equipoise between city and country, between agriculture and manufacture, which must always be the ideal of a sound State. We are stating the fact, not condemning the action. The circumstances of England were such as to necessitate a vast preponderance of industrial population. But in the golden days of Cobdenism—its golden-idol days—the historic sense was in abeyance, and England had forgotten that as the House of Commons is wiser than any of its members, England is always more and greater than her people. For we are the beings of a generation, and shall pass in our brief time, but she, if we are true to her, will endure. She was greater than anything in our time before we had the honour to be her children, and may be greater again than is now dreamed by those of us who most believe. But when we think of her, and for her, we must think in generations—looking before and after. It is ours to keep the historic mould unbroken. Burke, like Adam Smith, may be claimed by both sides in every Imperial controversy, but we may be confident that with his majestic sense of national continuity, he would have held that in the case of agriculture, a compromise ought to have been made between the sense of historic responsibility and that of immediate cheapness. If development had been steadied, we might not have had the commercial uprush of the 'sixties and early 'seventies in so exciting a form, but it is in every way probable that we should have had on the whole a stronger manufacture as well as a more flourishing agriculture than we have to-day. But these are vain regrets, and taking the nation as it is, we must consider the policy adapted alike to its Imperial position and its social needs.

Even Mr. Chaplin does not dream of preference accompanied by a five-shilling duty on corn against the Colonies. For all practical purposes we must regard ourselves as a nation permanently dependent for the food of its people and the crude material of its manufacture upon seaborne supplies. If we were a nation merely, that position in its ultimate sequel, however long delayed, could not be other than fatal. But as we are more than a nation—as we are an empire, which we are learning more and more to regard as a whole—that position must suggest the vital principle of our whole Imperial system. If we had no Colonies, or only in the sense that France or Germany have them, our commercial position would now be

hopeless. Cobden thought, as we have seen, that free imports of corn would promote the grand division of labour—the industrial island on one side retaining for a long period its manufacturing monopoly, and on the other side an agricultural world with endless possibilities as a field of consumption for our goods and as a field of supply for food and material. Cobden declared his belief that if Free Trade were adopted the people of the United States would spread themselves out upon the land “to plough and sow and delve for us,” and that urban labour would quit its miserable efforts to establish manufacture, and would flock back to the fields. This was the theory of division of employments in what may be called its crudest form. It would have been as wise to found a currency upon the statement that there are three money-metals, gold, silver, and copper, and that those who had only the latter to begin with would not want to have the former. But at that time the necessity of balancing imports and exports by a plain exchange of goods was implicitly accepted by the majority of the country. If we threw open our ports to an inrush of foreign food, there would be an outrush of manufactures.

This is the theory that failed. In our incautious trust in these shallow phrases which expressed no necessary law whatever, but merely described temporary facts, which were not long to prevail, we became what we are now—the only great nation in history which has allowed itself to become dependent on foreign food and raw supplies. (We do not say 'external food and raw supplies observe, but foreign.) Here again while such a state of things lasted we could never feel that sense of national security, that feeling of having its fate in its own hands which ought to belong to every independent people, and must belong to any people which would build its power upon a solid base. We do not control our means of existence. We have an overwhelming fleet to protect the transit of our supplies when they are once upon the sea ; but what if they should never get there ? What then ? Count Cassini, a few years ago, made a serious proposal to Washington that Russia and America should pool their wheat interests and raise the price against the world. The United States and we are fortunately upon more friendly political terms than at any time since the War of Independence, and the American people will take it rather as a compliment than otherwise if by a change of fiscal policy on our part we should flatter them by the sincerest form of imitation. But the relative position is one that America on her side would not consent to occupy for a day without taking means to alter it. And the commercial position is no less prejudicial than the political is weak. From

America we receive some 66 per cent. of our total food-supplies—and she takes in return less than 10 per cent. of our manufactures. America on her side threw into the waste-paper basket long ago the tacit contract upon which the nation was induced to adopt free imports. Our statesmen in the days of the old mercantile system knew very well what they were about in spite of their theory of attracting treasure. They tolerated no trade which encouraged the production of other countries more than our own. The conviction that increased food imports would mean increased manufactured exports was the very root of Cobden's thought upon this subject. He was right in his purpose, however rash in his method. That a full interchange of goods for food would always take place under free imports was the promise. Had it been realised it would have been as impossible to reverse free imports as to restore *laissez faire*. But it is now necessary to appeal from Cobdenism to Cobden and to change the outworn method of his policy in order to secure the really vital aims he had in view. It remains to discuss from this point of view the fourth proposition with reference to exports : "That in British exports to British possessions, and in them alone, during the last thirty years there has been a great and steady increase both in quantities and values." How completely our commercial supremacy as a whole has been saved by trade under the flag, and how absolutely the future of our maritime power depends upon the economic relations between the Mother Country and her colonies and dominions throughout the world, we shall now see.

The summary up to the present point may be thus given :

- (1) The interests of national production demand that the British manufacturer shall have the same advantages in his home market that his competitors enjoy in their home markets. This is the first condition of an adequate improvement upon our part in competitive power.
- (2) The interests of our maritime ascendancy, since our industry depends on one hand upon imports, demand that we should also secure freer markets for our exports.
- (3) The interests of the Mother Country demand the exchange of manufactured goods for food and raw material to a far greater extent than now.
- (4) The interests of the Colonies demand the promotion of British manufactures in order that the Mother Country, being by far the greatest consuming centre in the world for imported agricultural produce, may promote in return the development of Colonial cultivation.
- (5) The permanence and security of the Empire demand that

it should be as self-supporting as possible and should become so not only as completely as possible but as rapidly as possible.

(6) The problem of Imperial power is a problem of Imperial economy, and the only solution conducive to the effective unity of our political system for purposes of defence—while consistent with the fullest freedom of self-government and the commercial development of all its portions—lies in preferential trade.

In one sentence our whole future as a people, if we wish to keep the place we hold, depends upon the degree of success we shall secure in the attempt to realise this broad conception—a strong home market as the centre of a self-supporting Empire. This is the object of Mr. Chamberlain's policy. His action in raising the issue has been, not wanton, not mistaken, not premature. Sooner or later the issue had to be raised. Facts would have forced it upon us at some future period, when our policy might have been in weaker hands, when the inclination of the Colonies to conclude a commercial union with the Mother Country might have passed away, and when the damage to our industrial and mercantile position under the present system might have been far more difficult to repair. We are fortunate that the question is brought forward by a statesman fit to grapple with it, and at a time when the conditions for a successful change of policy are more favourable than they have been for many years, or may ever be again.

## XVII

The Empire depends upon our commerce. Our commerce depends upon the Empire. To our grasp of that truth we owed the original possession of our supremacy both in territory and trade. It was a truth never forgotten by Englishmen or by British statesmanship or British traders, in the days before the Great War, when, as we have seen, the extent of our triumph led us to change the principles upon which we had been unconsciously preparing for such a conflict through centuries. The genius of the sea mastered the genius of the land. The supreme mind and ambition of Napoleon were foiled by our fleets, and the attempt to close the commerce of the whole Continent against us by the Berlin decrees was rendered impotent by the fact that the seat of our manufacturing monopoly was insular, while Europe could dispense neither with our manufactures, nor with the Colonial and Eastern supplies which we alone controlled. This was the end towards which our policy had been working with unexampled continuity since the time of Elizabeth. France, with the excess of population and internal wealth she possessed at that time,

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and with her splendid fertility in every manner of talent, failed in the contest for Empire because she pursued two aims—Continental ascendancy and Colonial ascendancy. Even her resources were not equal to the task of realising both. She did not permanently succeed therefore in realising either.

That was not a fault of judgment in her statesmanship, but was the consequence of her geographical position. Nevertheless, had she been able to concentrate her force upon naval purposes, she might have secured the mastery of the sea. If she could have concentrated her whole strength upon her military purposes her permanent frontier would have stretched along the left bank of the Rhine from Basle and Mayence to Antwerp and Rotterdam. We being an island, with a population too small for any lasting effort of continental conquest, were compelled by nature to pursue one aim alone and we therefore achieved it—Colonial ascendancy. Sea-power cannot in itself be an object. It is the means to an end. It was not the sole condition of our purely insular safety in the days when we could still feed ourselves, and when there was sufficient military force in our population to repel any invader who might succeed in reaching our soil. If we look not at the theoretical fallacies, but at the practical methods of the mercantile system we shall see that it was an old-fashioned form of pure McKinleyism bent upon securing that the process of international exchange should never have the effect of displacing home production by foreign production. The extraordinary tenacity with which this idea was pursued is seen in the fact that the woollen trade in Ireland was suppressed because it threatened to become a seriously competitive manufacture, and the linen trade was established instead, so that the development of one island should not interfere with that of the other. These were the unjust and impolitic exaggerations of the system, but we see how clear and resolute was the aim—the security of home production. By the old Colony laws we took care to monopolise the importation of raw materials and exotic produce from them, and to monopolise the supply of manufactures and other home exports to them. Cromwell's great Navigation Laws, which Adam Smith, though opposed to the rest of the system, thought the wisest of all the commercial regulations we had ever adopted, excluded foreign vessels from the carrying-trade of the Empire, and further reserved for British ships the transport of Colonial produce to foreign countries. The theories upon which all this was done were ridiculed by the classical economists in the days when as we have said the historical sense was in abeyance, and the extent of our triumph had blinded us to the

natural insecurity of our Imperial situation. The newer historical school of economists in this country has discovered that the old system secured the creation of the Empire. Its practical effect was tremendous. The expansion of England, as Sir John Seeley has shown, was effected by commercial wars. The cause of our mercantile supremacy did not lie, as modern free importers would have us think, in our trade with foreign countries. It lay in the security of our home production, in our monopoly of Colonial and Indian supplies, and in the completeness with which we had turned both these advantages to account for the purpose of securing the mastery of the seas, the consequent control of the world's communications, and therefore the control of the world's trade.

In widely different circumstances we have once more to consider the adaptation of means to ends. Our position is again much more like what it was before Chatham than like what it has been since. But there is one thing above all to which it is utterly unlike, and that is the period of manufacturing and mercantile monopoly after Waterloo which led to the adoption of Free Trade. It was a policy suited for many immediate purposes to the conditions of that time. But the better adapted it was to those circumstances, the less probability is there, on the face of things, of its being equally suited to our circumstances. The past of our Imperial trade has been considered. Our next step is to consider its present and its future.

We have seen that, in strictly competitive markets, our trade apart from coal is declining, and that taking Europe and the United States, as a whole, it has been stagnant for thirty years in spite of the vast increase of their population and of ours. In neutral markets we have held our own, thanks mainly to our peculiar political relations with Egypt and Japan. For trade not only follows the flag, it follows Lord Cromer and it follows close international friendships with countries that are not competitive. Our trade with neutral markets outside Europe may stand outside the argument. It would not only be fully maintained under a preference policy but would be improved by any recovery on our part of productive force and political prestige. But when we leave all the records we have given of slow decay, of stagnation, or of slight improvement in the various classes of our foreign trade and turn to the statistics of Imperial trade, we have an extraordinary contrast.

At the time of the repeal of the Corn Laws our relations with India were still what they remain now, the most important

asset of our export trade, but our commerce with Australia, Canada, and South Africa was insignificant. That fact accounted, in no small degree, for the Little England sentiments of the time. The United States, next to India, were our best customers. It seemed clear, therefore, to the mind of the Free Trade school, mistaking very temporary conditions in this as in other directions for eternal truths, that trade did not follow the flag and would rather be improved than otherwise by the disappearance of the flag. They were irritated by the preferences under the old tariff given to Colonial sugar, timber, and grain. Canada was invited to separate. That worthy and very able man according to his lights, Mr. J. R. McCulloch, expressed with uncompromising clearness the view of the Colonies, held not only by him but by Cobden and Bright and the whole school of economic thought which reigned supreme after the repeal of the Corn Laws.

The expense of the Colonies is a very heavy item in the national expenditure—far more so than is generally supposed. Not only have we been subject to discriminating duties on foreign articles, that similar articles from the Colonies might enjoy the monopoly of our markets, but we have to defray a very large sum on account of their military and naval expenditure. There are no means by which to estimate the precise amount of this expense, but it is notwithstanding abundantly certain that Canada and the islands in the West Indies cost us annually in military and naval outlays upwards of *a million and a half!*\* . . . With the exception of the outlet which they afford to emigrants (which, however, is not so great as that afforded by the United States), it would be difficult to specify the peculiar advantages we derive from our Colonies in North America. They furnish but few, if any, articles which we might not import as cheaply, or cheaper, from elsewhere, and if we said their occupation costs us, directly and indirectly, the sum of £2,000,000 a year, we are pretty confident we should be within, rather than beyond, the mark. Some if not all of our West Indian Colonies are in the same, or nearly the same, predicament. And, on the whole, it would appear probable that we should gain, rather than lose, by providing, under judicious regulations, for the independence of our Transatlantic dominions. \*

These were the sentiments of all Free Trade economists in Mr. Cobden's generation. We wonder how we acquired an Empire in absence of mind. It is more wonderful far that the Empire survived our first efforts to think about it. The discovery of the Australian goldfields, however, transformed the situation, and gave us two first-class markets within the Empire where we only possessed one before ; and the value of Canadian trade began to grow, though so much more slowly than American as to encourage the Manchester school in its conception of eternal truths in politics. The complete Free Trade system was established in this country in 1860. This date, therefore, is a

*Italics in original.*

useful point of departure and the following table gives the totals of our Imperial trade during the last forty years (shown at intervals of maximum and minimum trade) :

## BRITISH EXPORTS TO BRITISH POSSESSIONS.

1861 (max.) .	£42,200,000	1882 (max.) .	£84,800,000
1862 (min.) .	41,900,000	1886 (min.) .	75,700,000
1866 (max.) .	53,700,000	1890 (max.) .	87,400,000
1868 (min.) .	49,900,000	1894 (min.) .	72,800,000
1872 (max.) .	60,600,000	1900 . . .	94,400,000
1879 (min.) .	61,000,000	1902 . . .	109,000,000

Increase in annual trade with  
Imperial markets since 1861 } . £57,000,000

It is this trade alone which has enabled us to retain our commercial supremacy. Without it our export trade would be far smaller than that of Germany and barely equal to that of France. Our whole commercial future depends upon the degree to which we may succeed in retaining and improving our magnificent advantage in Imperial trade. Its development of that advantage would be secured by the policy of preference. It is certain that under our present fiscal system we shall not only fail to extend our Colonial trade, but we shall fail to retain it, and our status as an Imperial and trading power will sink with the decay of the foundation upon which it was built in the days of the Navigation Laws and the old mercantile system. The following table shows the magnitude of the issue at stake by a comparison between our exports to our chief Colonies and possessions and our exports to the principal foreign nations :

## BRITISH EXPORTS, 1902.

TO BRITISH COLONIES.	TO CERTAIN FOREIGN COUNTRIES.
To India and Ceylon .	£34,000,000
To Australia and New Zealand . . }	25,000,000
To South Africa . . }	24,000,000
To Canada and Newfoundland . . }	11,000,000
To West and East Africa	3,000,000
To West India, Guiana, &c. . . . }	3,000,000
To Straits Settlements and Hong Kong . . }	5,000,000
To other Imperial markets . . . . }	4,000,000
	<hr/>
	£109,000,000
	<hr/>
	£109,000,000

The foreign figures are selected for a purpose. They are meant to show in the first place that even if we excluded India

from the discussion (for it is the cue of the Cobden Club to maintain that the value of Imperial trade depends upon India and not upon the Colonies) we should still see that we export as much to the remainder of our possessions as we do to the four greatest world-powers besides ourselves. In the second place this table should bring into true focus some of our ideas as to the relations between trade interests and foreign policy. We allow the West Indies to be ruined by the bounty-fed attacks of Continental sugar-interests, and we remain undisturbed. When we hear of our trade being threatened in Manchuria or Persia or European Turkey, we protest that our future as a people is at stake. But our exports to the West Indies and some of our other unconsidered possessions in tropical America and Africa are more important than all our trade with Manchuria, Persia and Africa put together. Our trade with Canada is now larger than our trade with Russia, and our trade with South Africa since the end of the war has been larger than the whole of our exports to South America, larger even than the whole of our exports to the United States. The value of our total Imperial trade is greater already than the value of our commerce with all the European Continent ; it is larger apart from our American imports (and to those we shall come presently) than the whole of our trade with all the world outside the European Continent.

But there are yet other considerations. When we consider the character as well as the bulk of our exports we shall see at once that as a support to our producing power and to our vital industries our Imperial trade is already more important than all the rest of our trade put together. Lest any supporter of Mr. Chamberlain should be suspected of partiality on this point let us quote from a Free Trade writer who is singularly clear-headed and accurate in statement and far more moderate and discriminating in opinion than most others of his school. Mr. J. W. Root observes in his book on the *Trade Relations of the British Empire* : \*

Nor is this trade to be estimated merely by its volume, at any rate as far as the exports of the United Kingdom are concerned. Much the same expense is incurred in raising a hundred, or a thousand, or a million bushels of wheat in Canada as in the United States, and, under normal conditions, the same is true as regards the sugar of the West Indies and of continental Europe. Of the eventual selling prices received in a British market, much the same proportion is distributed in each case between labour and other incidental costs.

But it is in the outlay of this distribution that the great difference arises. Germany may take an even larger proportion of merchandise in payment for what it sells to the United Kingdom than Canada. And yet in the real value

of the two there is no comparison. Most of what Germany gets of British production, exclusive of coal, is of crude, or at the least partially manufactured, material, pig iron, cotton, and woollen yarns, and a miscellaneous assortment of articles for further use in manufacturing industry, of which a great part of the value is represented by the material they contain, originally of foreign import. On the other hand, Canada purchases the iron in its more finished stages and fully manufactured cotton and woollen fabrics, in the value of which the wages paid to British labour figure much more extensively, as far as actual benefit to the United Kingdom is concerned; therefore more is derived relatively from exports to Canada than from shipments to Germany.

And the same writer goes on to sum up the case in this decisive fashion :

In highly finished manufactures, such as clothing and wearing apparel of all kinds, of which the wages of labour constitute the principal element, there is almost invariably an overwhelming preponderance in favour of Colonial markets, and in some of the more highly finished forms of iron and steel, as well as of other manufactures, the same remark applies, only not quite, perhaps, to a similar extent. On the other side, the only highly finished manufactured goods in which foreign countries exhibit a great preponderance are various kinds of machinery, destined eventually to intensify the competition with British manufacturers. On the whole, it is, perhaps, no exaggeration to say that there was more money left to circulate (1901) within the United Kingdom as the result of the export of £102,000,000 of British and Irish goods to Colonial possessions than from £178,000,000 to foreign countries, and, were the item of coal eliminated, this assertion might be made without a moment's hesitation.

Mr. Root well explains the comparative value of Canadian trade. That trade in the last five or six years has well nigh doubled in amount under the preference policy. Yet the Cobden Club is not content, and the organ of "passive resistance" to the Education Bill and of "passive assistance" to the Empire tells Canada to withdraw the preference clause and to clap her highest tariff upon British goods as the best way to avoid all further difficulty with Germany. If we need any further demonstration of the fact that Imperial trade, though nominally smaller in value, is in reality a far greater support to our vital industries than the whole of our foreign trade, we shall find the proof among the data given in the huge volume upon *Colonial Trade and Colonial Administration*, recently issued by the Bureau of Statistics at Washington. The following table illustrates the general increase in our exports of finished manufactures to British possessions and the general decrease of our exports of the same articles to all foreign markets :

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CERTAIN BRITISH EXPORTS, 1869-1900.					
Articles	Exports in 1869. £.	Exports in 1900. £.	Increase. Per cent.	Decrease. Per cent.	
<u>Apparel and slops—</u>					
To foreign countries . . . . .	702,601	751,922	7.0		
To British possessions . . . . .	1,689,716	4,534,824	168.4		
<u>Haberdashery and millinery—</u>					
To foreign countries . . . . .	1,897,293	268,713	85.9		
To British possessions . . . . .	2,687,662	1,265,738	52.9		
<u>Total of articles of personal use and attire—</u>					
To foreign countries . . . . .	3,651,258	1,926,208		47.2	
To British possessions . . . . .	6,690,174	9,064,960	35.5		
<u>Beer and ale—</u>					
To foreign countries . . . . .	516,206	544,171	5.4		
To British possessions . . . . .	1,376,510	1,216,381	11.6		
<u>Hardware and cutlery—</u>					
To foreign countries . . . . .	2,576,402	1,098,639		56.9	
To British possessions . . . . .	1,016,907	1,041,099	2.4		
<u>Total of articles of domestic consumption—</u>					
To foreign countries . . . . .	5,306,365	6,183,325	16.5		
To British possessions . . . . .	5,790,762	10,781,392	86.2		
<u>Total of articles of personal use and attire and of domestic consumption—</u>					
Total exports . . . . .	21,438,559	27,955,885	30.4		
To foreign countries . . . . .	8,957,623	8,109,533		9.5	
To British possessions . . . . .	12,480,936	19,846,352	59.0		

We see very clearly in this table where British trade has been injured in the era of foreign competition, and where the British manufacturer and his workmen have found their compensation. Another set of tables in the same monograph contains the following comparison for some particular articles. It shows, as will be seen, that of the whole export of these goods taken together, a steadily increasing percentage goes to British possessions :-

**PROPORTION EXPORTED TO BRITISH POSSESSIONS IN 1869, 1876, 1900.**

Articles	1869. Per cent.	1876. Per cent.	1900. Per cent.
Apparel and slops . . . . .	70.6	88.6	85.8
Hosiery (stockings and socks only). . . . .	48.1	62.0	89.8
Haberdashery and millinery . . . . .	57.1	76.1	84.5
Hats . . . . .	67.9	56.0	62.1
Boots and Shoes . . . . .	76.5	87.5	85.0
Blankets and flannels . . . . .	57.0	74.7	81.1
Umbrellas . . . . .	56.9	74.4	87.8
Total articles of personal use } . . . . .	63.5	78.5	82.5.
and attire . . . . .			
Total value of articles . . . . .	£9,500,000	£10,800,000	£11,000,000
Value exported to British possessions . . . . .	6,000,000	8,500,000	9,100,000

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Another table still takes our three greatest staples—cottons, woollens, iron and steel—and shows that over a period of twenty-five years, ending in 1900, the ensuing comparison may be made :

### BRITISH EXPORTS OF COTTONS, WOOLLENS, AND IRON AND STEEL, 1876-1900.

	TO BRITISH POSSESSIONS.		TO FOREIGN COUNTRIES.	
	1876.	1900.	1876.	1900.
Half manufactures .	£3,300,000	£3,600,000	£19,000,000	£22,000,000
Finished manufactures	34,500,000	43,600,000	59,000,000	58,000,000
	£37,800,000	£47,200,000	£78,000,000	£80,000,000

Here again we see that we must rely upon Imperial markets for the progress of our trade both in character and value. Again, let the issue be explained in yet another fashion. Mr. Chamberlain in a speech at the Constitutional Club made a slip in figures which had the effect of awakening the country to a sense of the real facts. If it is not true that the white colonists of the Empire purchase £10 per head of British goods annually, it is true that they purchase £5 or £6 per head annually where foreign countries on the average purchase to the extent of five or six shillings per head only. A Canadian citizen on the average is many times a more valuable customer than the American citizen. Individual Australians and New Zealanders purchase twenty times as much of our goods and thirty times as much of our higher manufactures as does the ordinary Continental. This is one of the most important facts, perhaps the most important of all the facts, connected with the present controversy. The increase in the populations of Europe and America is of no value to us. It does not increase their demand for British goods. Their consuming capacity, so far as we are concerned, is limited by law. Home manufacture under the tariff develops at the expense of foreign. But in the Colonies the case is different. There the consuming power of the Colonies as a whole (and this has become as true of Canada under the preference clause as of the rest) increases more rapidly than does their population. If we can stimulate the growth of the great self-governing communities of the Empire both in wealth and numbers the reflex action will give an equivalent stimulus to our outward trade. This would not be a matter of chance. It would be a certain result of Mr. Chamberlain's policy. The slow increase of population in all the leading Colonies was perhaps the most remarkable disappointment of Imperial politics in the last generation. We allowed the vast majority of our emigrants to lose their nationality and to swell the great competitive population under the Stars and Stripes,

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with consequences that we have felt of late and shall feel more severely. We have quoted the quintessence of the Little England doctrine from the orthodox pages of Mr. J. R. McCulloch. That doctrine was natural from the point of view of those who thought an emigrant would be an equally valuable customer whether he remained a British subject or not, and that the prosperity of commerce would not be injured in any way by the separation of the Colonies. We now know that British trade follows the British flag as regards the Colonies and India to twenty times the extent that it would follow any foreign or separate flag put up in the same places.

Again, let us repeat the fundamental idea. Every great Power possesses identity of employments with our own. Every great Power but ourselves seeks exclusive markets. They secure their home markets by tariffs, which always means that British trade in manufactured goods ceases finally to expand in these directions. But they also endeavour to secure an advantage for their trade in every market over which they possess a political control. Germany claims to be a pious exception, since she does not discriminate in her own favour in her own colonies. But she only keeps an open door because the house is empty. The trade of the German colonies is not worth cornering. If it were, it would have been secured long ago. We have seen what our trade with our Colonies means. To understand the extent of our privilege let us glance at the figures for the trade of Germany with her colonies :

### GERMAN EXPORTS TO GERMAN POSSESSIONS, 1902.

To German East Africa . . . . .	£125,000
" " South Africa . . . . .	230,000
" " West Africa . . . . .	300,000
" Kiaouchow . . . . .	345,000
" German New Guinea, &c. . . . .	30,000
" Samoa . . . . .	25,000
Total . . . . .	£1,055,000

The annual sum of German trade is one million pounds for one million square miles of territory, which explains the self-denying ordinance that Germany has adopted. But the United States, as a result of the Spanish-American War, has taken vigorous efforts to secure a preferential position in Cuba and the Philippines. America is strongly in favour of the hospitable principle of the open door in the case of other householders, but she has no intention of departing from "home market principles" with regard to any territory over which she can exercise direct influence. Britain and the Colonies together

may possess for their mutual advantage, if they choose, by far the greatest "home market" in the world—the British Empire.

### XVIII

The decisive importance of Imperial trade for the preservation of our position in the world, and therefore, of the national prosperity we enjoy is in reality not a disputable issue. The Cobden Club can only cover itself with confusion when it declares with amusing inconsistency that lower tariffs in Canada, and therefore freer exchange with the Mother Country, have been of no value to the latter. It is not needful to break this butterfly upon the wheel of elaborate argument. It is sufficient to point out that our exports to Canada since the preference policy was adopted five years ago have risen from £6,000,000 to nearly £11,000,000 in annual value. If they increase in the same proportion, in another ten years, and in view of the rapidity of Canadian development that would take place under preference there is no reason why they should not, we shall be exporting when we are all a decade older £20,000,000 a year of British manufactures to the Dominion. That would make Canada what India and the Australian Colonies are now—more important customers than any Continental nation is, and more important than the United States is in average years of trade. Meanwhile, the situation is shown with all imaginable simplicity and effectiveness, in a set of official figures compiled a few years ago by the German Government. The figures do not come down later than 1895, but any relative change that has occurred in the interval will not affect the broad moral of the comparison.

PERCENTAGE OF TOTAL WORLD'S TRADE, REPRESENTED BY  
THE COMMERCE OF DIFFERENT COUNTRIES, 1895  
(WORLD'S TRADE TAKEN AS 100).

	Per cent.
United Kingdom alone . . . . .	17.4 .
• United Kingdom with its chief colonies and possessions .	30.5
German Empire . . . . .	10.8
United States . . . . .	9.2

From the point of view of total commerce it will be seen that the British Empire, as a whole, is far more important than Great Britain separately. The aggregate commerce of the United Kingdom is about £850,000,000. The total trade of the Colonies with countries other than Great Britain is according to a recent return about £250,000,000. The total annual commerce of the Empire, regarded as a whole, amounts, therefore to the stupendous annual sum of about £1,200,000,000. An

this is practically all *ocean trade*. That is the point to be grasped. A great proportion of the traffic in the German returns is a purely land traffic, and a considerable part of the imports and exports of the United States pass across the Canadian and the Mexican frontier lines. The ocean-borne commerce of the Empire, as a whole, is by nature, and so long as the Mother Country remains prosperous must continue to be, far greater than that of any other State for generations to come. It is now three times as large as that of the United States, and about seven times as large as that of Germany. In that fact, if we know how to use it, lies our security. The British Empire only needs to understand itself in order to assure its future, and for the British Empire to understand itself simply means that the Mother Country and the Colonies must understand each other. What is now needed is not sentiment but organisation.

A contention that must be noticed at this point is, that the trade between the Mother Country and the Colonies will progress by itself as it has done in the past, and that we can reject the wishes of the Colonies without injuring our commercial position in the Colonies. This is a profound error in thinking, and if we are misled by it, will mean a fatal error in action. For thirty years our foreign trade as a whole has been, relatively to that of other countries, in a state of arrested development or distinct decline. Our supremacy in Imperial markets is invaluable and immense, but it is not so great to-day as our commercial supremacy in all the world seemed to be in 1872. If Mr. Chamberlain's policy should be rejected, another generation will make our trade supremacy even within the Empire a thing of the past. That will mean the end of the Empire. Our position is threatened already from several sides.

It is threatened in the first case by foreign competition, especially by that of the United States and Germany. A recent Board of Trade Return laid before Parliament for the purpose of this inquiry, showed that in the decade 1890-1900, foreign trade with our Colonies and dependencies, had increased far more rapidly than our own. The detailed figures may be summarised as follows :—

COLONIAL IMPORTS.

Year.	From the United Kingdom.	From British Possessions.	From Foreign Countries.
1890	£111,000,000	£33,600,000	£51,200,000
1900	117,000,000	46,300,000	80,800,000
Increase	£6,000,000	£12,700,000	£29,600,000

These figures are doubtless not so alarming as they look, since a considerable part of the imports from foreign countries

are non-competitive, but when we investigate the details of this part of the question for ourselves, we find that the peril which threatens British trade even within the British Empire is a very real one. For this purpose we shall go not to the British statistical abstracts but to the returns of the foreign countries themselves. Take in the first case Germany, which now markets 25 per cent. of its whole export within the British Empire. From the *Statistisches Jahrbuch für des Deutsche Reich* for 1903, we take the subsequent figures showing how German trade with British possessions has increased by 100 per cent. in the last ten years :—

GERMAN EXPORTS TO BRITISH COLONIES (ACCORDING TO GERMAN RETURNS), 1893-1903.

		1893.	1903.
To British East Africa	.. . . .	£25,000	£70,000
" " South Africa	.. . . .	700,000	1,900,000
" " West Africa	.. . . .	200,000	400,000
" India, Ceylon, and Straits Settlements		2,300,000	3,500,000
" Canada	.. . . .	900,000	1,900,000
" West Indies	.. . . .	50,000	100,000
" Australia	.. . . .	900,000	2,300,000
Total to Colonies	.. . . .	£5,075,000	£10,800,000
To United Kingdom	.. . . .	33,700,000	48,300,000
Total to British Empire	.. . . .	£38,775,000	£59,100,000

This suggestive table raises visions as to possibilities in the future. At the same rate of progress this competition alone will begin within a measurable period to reduce our trade. In Australia it has already reduced it. The German agents in Melbourne, Sydney, and Adelaiue, like their countrymen everywhere, endeavour, although settled under the British flag, to advance German trade, and are meeting with obvious success in their efforts to open up trade connections with the Fatherland. In Australia, as elsewhere, the Merchandise Marks Act has worked disastrous mischief by advertising our competitors in every Colony, and placing the Australian dealer in direct touch with the German producer. The leading German newspaper, the *Vossische Zeitung*, the other day boasted of the extent to which Germans, in their relations with our Colonies, had become independent of our shipping, and it has been shown in the discussion upon the Port of London controversy, that a considerable part of our re-export trade has already left London, and gone to Antwerp, Rotterdam, and Hamburg. In the Board of Trade Returns for recent years, many little items may be noticed, which show that Germany is beginning to do part of our carrying-trade for us and to send us re-exports.

We have travelled it will be seen far from the days of the

Navigation Laws and from Adam Smith's idea of the wisest of all our commercial regulations. In India, the modest and enterprising Teuton is everywhere. At Bombay, Calcutta, Shanghai, Hong-Kong, he and his countrymen are constantly opening up new connections with their native country. They have their separate tables for tiffin and dinner in English clubs, and they talk their own language in a loud voice. During the war they talked anti-war also in a loud voice. Canada is penalised by the German Government because the favour shown to the Mother Country was supposed to be an injury to German trade—upon which no higher duties than before were levied. The offensive absurdity of the German contention in this respect is shown by the fact that German trade with Canada has continued to increase as though nothing had happened. This is partly accounted for by the fact that a third of the whole German export is sugar, but another considerable part of the increase represents dumped iron and steel and miscellaneous manufactures. It has been shown that the large order for locomotives which recently went to Glasgow would have gone to Chemnitz had it not been for our advantage under the preference clause. That clause was a benefit to the Mother Country. It was not constructed with a view to reducing German trade. But if it is remodelled with a view to reducing German trade it will be successful in that intention, and Berlin will have itself to thank. Under pure Cobdenite conditions there can be no doubt that Germany will make rapid progress throughout the Empire at our expense. In 1872 let us always remember her foreign trade was insignificant by comparison with our own. She now surpasses us in foreign trade. But we have a far more serious competitor than Germany.

Our real rival in Imperial trade will be the United States unless we give ourselves the benefit of home market principles, and apply to the Empire in a moderate form of imitation "the commercial policy of the Republic. In Canada we know how the proportions stand. We are Canada's best customers by far, but in 1902 the Dominion received 60 per cent. of its imports from the United States, and only 24 per cent. from the United Kingdom. With a large part of the imports from the United States we do not compete, but among other items, including £2,000,000 of American textiles and £5,000,000 of American iron and steel, we should recover some millions of Canadian trade under an increased rebate in our favour. But a withdrawal of the preference clause, such as will presumably take place if Mr. Chamberlain's policy—that is, Canada's policy—should be rejected by the country, would be the death-warrant of our trade with the Dominion. The United States would seize

the chance to draw Canada into the reciprocal relations with the Republic that she had been unable to establish with the Mother Country. In that case Canadian citizens would buy from us in the end as American citizens buy—six shillings a head, which would mean the disappearance of the trade now carried on upon the forty-shilling-a-head basis owing to the preference clause and the Imperial connection. Our trade with Canada let us remember is already larger than our trade with any foreign countries except the United States, France and Germany. It is even now a first-class asset of our commerce. Its existence is bound up with Mr. Chamberlain's success.

In Australia the situation is even more serious, for Australians purchase from us not £2 per head as Canada does, but £6 per head. But the trade of the Republic with the Commonwealth is growing very rapidly. It has more than doubled in the last ten years. The rate of increase has shown no signs of pausing at any moment of that period, and there is no reason why Americans should not hope as they do to secure the superiority in commerce with the Commonwealth. The United States is almost self-contained. But the things on which she most depends, as it happens, are wool and tin. Australia has both wool and tin. America by striding across the Pacific to the Philippines has become the political neighbour of our continent colony. If the United States succeeds in concluding a preference treaty with Canada she will afterwards succeed in concluding one with the Commonwealth. In South Africa the progress of United States trade has been relatively more rapid than in Australia. In India there are experts well acquainted with the cotton manufacture upon both sides of the Atlantic, who believe that Lancashire will ultimately be ousted by the American cottons which are carrying the field in China. A recent compilation by the indefatigable Bureau of Statistics at Washington contained the figures for American exports of *manufactures only* to the various parts of the British Empire during the last ten years. The record is as follows :

• EXPORTS OF AMERICAN MANUFACTURES TO THE BRITISH  
EMPIRE, 1893-1902.

	1893.	1902.
To Canada . . . . .	£2,200,000	£11,000,000
" Australia . . . . .	2,000,000	5,100,000
" British Africa . . . . .	500,000	2,100,000
" India . . . . .	800,000	900,000
" West Indies . . . . .	300,000	600,000
" Other Colonies . . . . .	600,000	1,000,000
Total to Colonies . . . . .	<u>£6,400,000</u>	<u>£20,700,000</u>
To Great Britain . . . . .	<u>8,300,000</u>	<u>21,000,000</u>
*Total export of American manufactured goods to		£14,700,000
British Empire . . . . .		£41,700,000

Put this list and the German list together. Our margin is still broad, but it has been narrowed during the last ten years, and again we see that existing methods offer no guarantees for the predominance of British trade in the British Empire. The probabilities are that it will disappear in another generation of Cobdenism as our supremacy in foreign commerce has been lost in the last generation.

A still more serious danger lies before us in the probable action of the Colonies themselves. We are mistaken if we think that rejecting Mr. Chamberlain's proposals would leave things as they are. It would be seen within a short time to have left them far otherwise with respect to our trade prospects and our Imperial hopes alike. It is in our power to leave things as they are on this side. But as to leaving them as they are upon the Colonial side—that is a matter which will not depend upon us, and will be governed by the ideas of those who are slaves to none of our economic superstitions. The Colonies, like ourselves, desire the policy that would pay them best. They are mainly agricultural countries, and what they most desire is the development of agriculture. That is what will increase their population and make them great States. Except upon the basis of an extensive and flourishing agriculture no national manufacturing system can be built. But the Colonies, the Dominion and the Commonwealth alike, are now at the parting of the ways. They stand between the American ideal and the Imperial ideal. They, like the German people since the teaching of Friedrich List, who had lived in America, have been deeply influenced by the American doctrine of the home market. Both in Australia and Canada tenacious manufacturing interests are arising, who put business first in practice precisely as the Cobden Club does in theory. Their object, if they can secure it, is not to have lower tariffs against the Mother Country, but to have higher tariffs against her. They are not yet predominant in either of our greatest Colonies. If preference is adopted they will not become predominant at all in our time. Preference would place in Colonial hands the work of supplying the vast food consumption of the United Kingdom. It would do what Cobden hoped from his policy—it would create larger agricultural populations, but with a definite guarantee that their increased consuming power would mean a larger demand for British goods. Now what is certain is that in Canada and Australia alike the farmers under preference would be in favour of lower tariffs—perhaps in favour of as close an approximation to Free Trade with the Empire as revenue necessities permitted. In any case they would be as naturally in favour of minimum tariffs in favour of the Mother Country as the manufacturing

interests would be in favour of maximum tariffs against the Mother Country. But if Mr. Chamberlain's policy were rejected the Colonies would have no reason whatever to pause in a policy of high protection strictly upon the American model. If we had refused preference for their agriculture in our market why should they extend any special consideration to British manufacturers by their tariffs. If we are to be committed to free imports by the refusal of preferential trade, we should see in the Colonies what we have seen in every foreign country.

Nobody is called upon to give a special equivalent for advantages enjoyed by everybody. If the Colonies are not to have preference, there can be no reciprocity. Agricultural development will be slow if the Colonies are merely to win their way inch by inch against the United States, and if in return for taking the £6 of our goods per head, they are to have no better terms in our market for their goods, than if they bought from us upon the six-shilling scale only. In that case the demand of the manufacturing interests for higher tariffs will not be outweighed by the feeling of the agricultural majority in favour of lower tariffs. Either the great Colonies will find their account through preference in this market, or they will try to find it in a policy of McKinleyism for their home markets. In other words, there must either be preference for the agriculture of the Colonies in the Mother Country, or prohibitive duties in the Colonies against the manufacturers of the Mother Country. What that would mean for British industry we have already shown. If nothing is done to check the rise of McKinleyism in the Colonies, what will happen will be exactly what has happened in Europe and the United States. There also our trade, having reached a climax, will commence to decline, and this nation will decline with it. While we mouth the shibboleths of Free Trade, our trade will have finally ceased to be free, as ever since the national tariff movement began it has been ceasing to be free. A man in heavy fetters may be freely provided with food, but not allowed to do anything. That is our position with the system of cheap consumption and fettered production that, with our obsequious slavery to phrase, we call free trade. Our phrases may be as false as Iago, but if they once become sufficiently familiar, human nature will fall into the habit of taking them for granted. Probably some occasion has been given in the previous pages for "obstinate questionings" on the part of Englishmen. Cobdenism will do for them with regard to Imperial trade what it has done for them in every other branch of their trade, and when the Colonies are closed like the rest, the British trader will realise that free imports have been carried to their logical conclusion.

Manufacturers from all the markets of the world will compete against him on his own ground, and there will be no market in the world in which he will have a chance to compete.

There is another danger which deserves a passing reference. The recent parliamentary return upon Imperial trade, showed how considerably Colonial exports to foreign countries are increasing:—

COLONIAL EXPORTS, 1890-1900.

	To the United Kingdom.	To British Possessions.	To Foreign Countries.
1890 .	£85,000,000	£34,000,000	£68,000,000
1900 .	108,000,000	43,000,000	87,000,000
	<hr/> £23,000,000	<hr/> £9,000,000	<hr/> £19,000,000

The Colonies and India are largely producers of raw materials. Now the countries with the greatest productive power must become the greatest consumers of raw materials. The United States and Germany, for a number of years, have been increasing their demand for crude imports faster than we. If we allow for re-exports in the British totals given above, it will be seen that foreign countries threaten to become larger consumers of Colonial produce than we are, in which case the Colonies would be bound to allow them in return every facility for displacing our trade. To far-sighted men, this will probably appear the greatest danger of all. We can only counteract it by developing under equal tariff conditions, the productive activity of home manufacture, and increasing its power of absorbing Colonial supplies.

Thus with the increasing activity of foreign competition within the Empire, a danger which will become much more intense from the side of America when speculation collapses; with the certainty of high protection movements against the manufactures of the Mother Country if preference should be rejected; and with the fact that our power to consume the raw products of the Empire has not been increasing as it ought, we should see at last what Mr. Chamberlain foresees now. Unless we adopt the only policy in which we can find security by reciprocating the wishes of the Colonies for preferential trade the Colonies will become better customers for foreign countries and worse customers for ourselves. The fate of British commerce would then be decay such as has already commenced in our foreign trade; decay even in our trade within the Empire, such as was taking place in Canada before the preference clause was adopted; and decay such as threatens the iron and steel manufacture in all the great industries of the land except the mining of coal for foreign account. The business future of the firm depends upon taking the Colonies into partnership. The firm must be John Bull and Sons.

## XIX

There is no such thing as eternal truth in modern economics, and when a professor of political economy tries to teach us an eternal truth we may be certain that he is talking ancient nonsense. What is a theory in pure science? It has been described as a condensed description of observed facts. It is also an attempted account of the relation between them. But unless the theory seems to be an explanation of all the facts and to exclude every other explanation, no one accepts it as true. When two explanations appear equally plausible and equally unsatisfactory as leaving some observed facts unexplained, neither can be accepted as true. When a scientist in the laboratory discovers the existence of a single fact which the theory that he has been working upon does not explain, he knows at once what his business is. He accurately describes the new fact and questions the theory. Thus when we are dealing with true science and with things which can be watched, weighed and measured, every indisputable truth is soon verified by research and is accepted by all mankind as indisputable. No one questions the law of gravity, because no one knows of a case to which it does not apply.

The British Radical, who believes he has a cosmopolitan mind, has always been in reality the most insular of beings. He believes that he possesses in free imports an eternal truth to which the remainder of mankind is blind. He thinks that the country which with most initial advantages has made least progress in the era of foreign competition, is guided by the only sound theory of business, while all the nations who have progressed most vigorously in the same period have been equally misled but have prospered by coincidence. The dismal science in this country puts its doctrinal pretensions higher than any science has ever done, and a number of British professors write in a body to the *Times* in order to assert that the most disputed ideas in the world are the least disputable. An attitude of this sort simply substitutes the repetition of formulas for the extension of knowledge, and the greatest of all our misfortunes under Cobdenism is that it should have trammelled, with this system of Chinese syllogisms, the English mind, once pre-eminent for freshness and original vigour. The Koran as we know exemplifies perfectly all the laws of Arabic grammar. This is regarded as a proof of its inspiration, but what it really proves is that the laws of Arabic grammar were drawn from the Koran. So in the case of the free-importing theorists who dogmatise in the name of universal law against the conviction and practice of the vast

majority of civilised people, we know their theory is not drawn from the facts but that their view of all facts is pre-determined by a theory. Political economy is in reality not a fixed science at all. It is a "working hypothesis" of human action under certain circumstances. But it applies to a sphere of infinite variety which includes the whole of life, and where the exceptions to every principle are so numerous that the most suggestive and penetrating of modern thinkers abroad have seen that they must give up the attempt to frame invâriable rules. Political economy can lay down no doctrine suitable for all countries under all circumstances. It must inquire what the circumstances are and discuss matters in relation to them. The modern economist in other words must be acquainted with the symptoms of his patient before he can prescribe. It is not an eternal truth that the patient is fat or thin. It is a matter of fact that he is fat or that he is thin and may require treatment accordingly. We adopted Free Trade because we feared no rivalry. America may adopt it at some distant day for the same reason. She will never adopt it for any other. But we have learned that we are mortal and must have equality of conditions. We cannot continue with impunity to take all the odds—to give our competitors the immense advantage of free access to this market and at the same time to endure every restriction that they choose to place upon us. "National economy" is a question of means and ends. What are our ends? They are the security of Empire and commerce. Both were secure before "free imports." We have had an increasing sense of insecurity since. We know that under free imports the existence of England in her greatest days would have been impossible. She owed her security in Empire and commerce alike to the most daring and stringent system of restraint that one nation ever imposed upon others—the Navigation Laws. We must consider our fiscal policy now without regard to the abstract contentions of any economic theory and with strict regard only to the practical adaptability of certain proposed means to certain great ends.

## XX

The Empire can never be secure and commerce can never breathe the air of national confidence upon which its progress so largely depends until we feel that we are once again members of a self-supporting system commanding its own means of living. It is the unalterable law that in every sound and safe society agriculture must be internal to the State. For us it cannot be internal to the nation. But all the more is it essential that it should be internal to the Empire. Since we have sacrificed home

agriculture we must be dependent upon colonial agriculture, but not upon supplies that the Empire does not control. We must not only maintain a fleet to protect the transit of our supplies once they are upon the seas. We must ensure that under all circumstances so long as our naval power holds they shall reach the sea. That is a political aim indispensable to the recovery of our Imperial security. The second aim is of a more purely economic character. In the scantiness of our agricultural population we suffer under one of the greatest disadvantages that can affect manufacturing industry. Where there is a great agriculture and a great industry side by side the economic balance is perfect. There is complete division of labour and free exchange for mutual support. Cobden never imagined that his system would displace British agriculture to the extent we have seen, but he also imagined that if it did, we should merely change the direction but not the character of our transactions. If American farmers supplied our food they would take our goods just as the home farmers did, and agriculture under the American flag would be the same support to British industry as though it had flourished under our own.

This was not only a mistaken but a disastrous view, and the influence it has exercised upon the industrial position of England has never yet been studied in this country with the attention that the subject deserves. The economic development of America has been carried to its present height by the simultaneous action of two forces—restricted imports and free exports. The system under which we are attempting to work is that of free imports and restricted exports. Grasp clearly that distinction. Reflect upon it a little and you will see that the success of the first system is due in an immense degree to the existence of the second. It is better to have a larger demand for your goods than a smaller demand. Hostile tariffs are, of course, a means of diminishing the demand for your goods and stopping your export wholly or partially. But to deprive a business of customers is the deepest injury you can inflict upon it. We cannot dogmatise upon the merits or demerits of Free Trade because Free Trade has never existed in the world. But we have had free imports. America by her access to this island has practically had free exports. Germany has free exports for a fifth part of her trade—the portion she now sends to this country. France in the same way has free imports for a third of her whole trade. Every country which sends goods to this island has, so far, free exports. The country which imagines itself to possess Free Trade is the only country in the world which does not enjoy anything in the shape of free exports. Now, let us consider the

advantage of the system to America. We become one of the main sources of her agricultural wealth—for that is derived from the consumer who pays for the corn. British emigration to extend the cultivation of the land, Cobdenism to provide a market for the production—these were the factors which built up more rapidly than would otherwise have been possible the greatest agriculture ever known. It was thought by the mercantile manufacturing classes in this country that the British farmer only would be adversely affected. That was a profound error. It ignored the conditions under which a great manufacture arises. It can only arise upon the basis of a large cultivating population. Unless the consuming power exists within no tariff system can make industry prosperous. But where there is a thriving agriculture the demand for goods exists ready made, and the output of home manufacture must increase from the moment it is placed by law in possession of the field. It stimulates agriculture in its turn and is stimulated by it, and so the mighty action and reaction is set up which has created the American home market of to-day, with all its immense productive force and consuming capacity. But the American home market has been, as we have seen, as much the creation of free imports as of McKinleyism. From the moment that America ceased to practise the division of labour for mutual benefit upon which the Free Trade idea depends ; ceased to keep up in reasonable measure the exchange of goods for goods ; and ceased to stimulate our manufacturing production to anything like the degree in which we were stimulating her agricultural production, and therefore indirectly her whole industrial force, it was a policy of economic suicide on our part to build up the strength of a competitor to giant height upon such terms. Had we possessed a tariff to negotiate with we should have been enabled to make much better terms. For the impunity which a policy of unconditional imports has given to protection has been one of the chief causes of the extent and severity of Protection.

There is also a deeper danger. The transfer of our agriculture not only outside the nation but outside the Empire destroys the economic basis of power. When the Shipping Trust was formed we were told in the House of Commons by members professing intimate business knowledge, that we could not stay the process by which our Atlantic shipping had begun to pass out of our hands. We say nothing now of the financial results of the first attempt. But it revealed the danger if the arguments upon which the transfer of the White Star Line were defended were true. We were told that the American railways controlled the situation, and could refuse freights to companies not in alliance with them, and that the financial groups behind

the American railways could control our ships. There is no question that the danger will reappear, and that under present conditions the effort to transfer our Atlantic shipping to American hands must be ultimately successful. That would mean the loss of our maritime, and therefore of our naval supremacy.

Mr. Chamberlain's policy would make both secure. In this direction at least there is nothing doubtful. The British consumer is the person who pays Atlantic freights, and he sometimes pays them, without knowing it, both ways, since the shipowner recoups himself upon homeward business for the less remunerative character of outward business. The British consumer, therefore, if he is wise politically and commercially, will take measures to ensure that the ships which he supports in the carrying trade shall be English ships. More. The British consumer is the person who pays for the corn. More still. The British Colonies can grow the corn; and if we make agriculture internal to the Empire, we make the tonnage engaged in carrying our food-supply equally ours, and we make our mercantile power once more the natural effect and expression of a self-contained Imperial system. The security of our mercantile predominance can be the only sure and permanent guarantee of our naval supremacy. At present the British consumer pays the American railway rates upon his food-supply as well as the price to the American farmer and freight to British ships. Why should not this vast outlay go every year to the building up of British Colonies and the British Empire now that America has had the benefit of it for a generation. When our American food-import becomes a Colonial food-import, with the line of supply completely British from end to end, our shipping supremacy will be as much a matter of course as the superiority of the United States in its output of iron and steel. Upon this condition the transfer of our agriculture to the wider shires beyond the sea would become the very security for Empire. Our food-supply must be raised upon British soil, and carried from British ports abroad to British ports at home in British ships. Politically, preferential trade is as important for our security as is the existence of the Navy, and more so than the existence of the Army. It would be as much worth paying for if need be, as either of those services, and we can secure it without adding a shilling to taxation, and with no increase of our burthens in any direction without an equivalent decrease in some other direction. Mr. Chamberlain's policy would make the British Empire a natural system resting upon a natural base, upon which the Mother Country depends for her prosperity, her production, and her life, will be received to a main extent from British possessions. Colonial agriculture, British shipping, and

home production would be three links of a chain that nothing could shatter.

No one denies the inherent capacity of the Empire to feed its people. Its resources are great enough to furnish five-sixths of the raw imported material worked up by our factories. A full third of the whole quantity carried into the country every year already comes from the Colonies and India. We receive crude supplies to the extent of over £100,000,000 sterling from foreign sources, but the vast bulk of the articles included in this great amount could be purchased within the Empire. Let us utilise the list drawn up by a Free Trade writer, whose apparent idea that because we are not developed we should take no measures to develop, shows a singular absence of depth. He meant his list to show that we *do not* produce within the Empire the larger part of the raw materials we consume, and therefore must continue dependent upon foreign sources of supply. What the list really shows is that our raw stuff, like our food, *might be and ought to be* produced within the Empire, and that if we take steps to develop our resources we can procure an independent command of nearly all primary materials we require. Here are the items which account for the larger part of these imports from foreign sources :

RAW MATERIALS IMPORTED FROM FOREIGN COUNTRIES, 1901.

Cotton . . . . .	£41,000,000
Hemp . . . . .	3,500,000
Seeds . . . . .	5,000,000
Timber . . . . .	18,500,000
Paper-making materials . . . .	2,000,000
Hides . . . . .	2,000,000
Wool . . . . .	5,000,000
	<hr/>
	£77,000,000

These articles alone account for nearly three-fourths of our imports of raw material, and these and many of the others could be produced under the flag. Mr. Chamberlain proposes no tax upon raw materials, but the stimulus that preference for wheat and meat would give to the agriculture of the Colonies would react upon the whole economic life of the Empire, and quicken its development throughout. The ideal of a self-contained Empire is supremely splendid but it is also supremely practical, and now that Mr. Chamberlain has given the impulse it will be achieved. When the imagination of England has once been touched by a sense of what this scheme means she will never be permanently content with any lower policy.

The Mother Country and the Colonies together can realise by preference the purpose for which Free Trade was invented, but which it has failed to achieve—the real division of employments,

which means an increasing and mutually beneficial exchange. It is contended that the Colonies have manufacturing interests of their own, especially Canada. That is the fact, but it presents no practical difficulty. The preference policy would mean freer trade with every part of the Empire. We should make our foreign imports, apart from raw materials less free, in order to make our exports freer, and this latter is the special kind of freedom that the future of our commerce requires. The actual terms we should receive in the various Colonies would be a matter for separate negotiation. The amount of the preference duties placed upon foreign food-stuffs in the Mother Country would determine the reciprocal tariff reductions in the several Colonies. There will be sufficient time for the discussion of these details. It is enough to know that the adoption of a home tariff and preferential trade with the Colonies and India would mean the security of the Imperial market against foreign competition, and would double, when it had begun to make its effect felt, the competitive vigour of the British manufacturer. There would be a valuable increase in trade from the beginning, there would be an extraordinary increase of confidence, and that is what we need to restore our national keenness and efficiency. Whatever degree of preference we might give and receive, nothing can be more certain than these two main points : (1) that Colonial tariffs should be lower upon British goods, higher against foreign than they will be if Mr. Chamberlain's policy is rejected ; (2) that if we drew our food-supplies and raw material from the Colonies, we shall send back a far larger volume and value of manufactured goods in exchange for them than we do now. At home a tax upon the foreign-manufactured and half-manufactured articles, which now supplant home industry, would in part be an aid to revenue when paid by those who cannot afford to lose this market, and in part a premium on home production and home enterprise. It would induce American capital and energy to settle inside the tariff with results as useful as when Edward III. set the precedent by bringing over the Flemings. It would not mean the sacrifice of our foreign trade, for every nation which has strengthened its productive force by adopting the tariff has increased its foreign trade. In our case, we should undoubtedly increase it, for other nations would do with us what they do with each other—they would offer reciprocity in return for lower duties—and so long as our tariff was upon a lower *ad valorem* level than that of other countries, which would be the case, we should be entitled to "most-favoured-nation treatment" precisely as we are now. By bringing special pressure to bear upon the classes of duties especially injurious to British goods, we should make the "most-

"favoured-nation" clause a reality in many cases where it is now a nullity.

These are the prizes. What is the price? It is a feather in the scale compared with the great plan of Imperial reorganisation which it would carry. Our business has been to discuss the permanent principles of Imperial economy, not the details of a plan which has yet to be unfolded. The amount of the proposed preference duties must be known before their real effect upon prices can be closely estimated.<sup>a</sup> The Registration Duty made no difference to the consumer. A two-shilling duty on wheat would make next to none. A three-shilling duty would make the difference at the most of a halfpenny upon the quartern. In all these cases the consumer could be safeguarded with complete certainty by a readjustment of the sugar and tea duties. Those who maintain that the heaviest taxation on tea and sugar must always be better than the smallest on bread and meat, take up an obviously unpractical and untenable position. It is unquestionably possible to tax sugar and tea so severely as to cause more hardship to the consumer than would be caused by light duties on bread and meat. When Mr. Chamberlain's definite proposals are made nothing can prevent them from being reasonably considered from this point of view. The bakers are already raising the quartern loaf by a halfpenny, but nobody is hurt, and nobody receives compensation. It is not certain that Mr. Chamberlain's policy would raise the price of the quartern loaf, or the pound of meat, by a fraction, but if it did no one would be hurt, and every one would receive compensation. The reductions on sugar and tea would keep the amount of the weekly bill what it was before, and with the aid of the revenue from the tax upon foreign manufactured goods, the introduction of preferential trade would be compatible with a reduction of taxation. It would restore the trade, the strength, and the historic policy of the nation. It would develop the Colonies, secure the sea, and revive the commercial progress of the Mother Country. It would make the Empire self-supplied and self-secure in peace and war. When Englishmen are asked to reject the greatest scheme of policy that has been put before them since Chatham they are not likely to sacrifice their birthright for a mess of pottage which they will not get—and at the bidding of those who can only provide them with messes of politics. When they come to the big fight they will fight it for the making of Empire and the re-making of England.

THE ASSISTANT EDITOR.

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